

Bernalillo County New Mexico

Affordable Housing Plan

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Prepared For:

Bernalillo County, New Mexico

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The Community Strategies Institute was formed in 2003 to provide fiscal and economic analysis, education and training to individuals and groups wishing to better understand and improve the economic and social factors influencing affordable housing development, housing conditions and community infrastructure as those elements influence the economic mobility of low-income populations. The Institute Directors and Members have diverse backgrounds in housing development, finance, management, policy and research. The Institute can be your partner in designing research, programs, and investments for expanding opportunities for individuals to become economically stable members of caring communities.

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I. EXECUTIVE SUMMARY

Bernalillo County has commissioned this affordable housing plan as a first step to facilitate the expansion of affordable housing options for the low and moderate income residents of the unincorporated areas of the County. This plan will provide a framework for the County to identify priority needs, possible actions, potential implementers and resources which could be utilized in affordable housing projects and programs. The County recognizes that due to some statutory limitations contained in the Anti-Donation Act, local governments have been constrained in their ability to support affordable housing activities with County resources.

The State of New Mexico enacted amendments to the New Mexico Affordable Housing Act in 2007. These changes in the Affordable Housing Act provide more flexibility to local governments wishing to provide public resources to support affordable housing. The Affordable Housing Act permits State and local governments to provide or pay the cost of land buildings or necessary financing for affordable housing projects. Affordable housing projects are residential housing primarily for persons or households of low or moderate income. Under the provisions of the Amended Act, a County may:

- “A. donate, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing;
- B. donate, provide or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing;
- C. provide or pay the costs of financing or infrastructure necessary to support affordable housing projects; or
- D. provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing.”

The Act requires the local governing body to enact a local affordable housing ordinance and a resolution authorizing housing assistance. The New Mexico Mortgage Finance Authority is the State entity charged with overseeing the provisions of the Affordable Housing Act, and has established procedures that local governments must follow to take advantage of certain MFA grants and local cash and non-cash housing resources.

Summary of citizen participation process and consultation process

The County Housing Department functions as the lead agency in the preparation of the plan. Bernalillo County sought input from local citizens, housing developers, Realtors®, impacted populations, service providers, local government officials and staff, and nonprofit and for-profit organizations involved in housing and community development activities. Key informant Interviews, public hearings and focus groups were held to gather input. A resident survey was distributed throughout the County. The County Housing Department has formed a review team composed of County officials to review and comment on the various sections and drafts of the plan. The final draft of the Plan will be made available for public review.

Methodology

The Community Strategies Institute (CSI) was engaged by the County to manage the research and writing for the Plan. Four main types of information were used in compiling this document:

- demographic, economic, and housing data
- local housing and related information from stakeholder interviews and public meetings,
- existing documents, plans and policies, regulations
- information from websites, articles and other published sources

Plan Outcomes

Based on the qualitative and quantitative research processes described above, the following objectives and outcomes have been established for the Bernalillo County Affordable Housing Plan:

- **Preservation of Existing Housing Stock**, through homeowner housing rehabilitation, preservation of public and affordable housing units, and weatherization of existing homes.
- **Expand Affordable Rental Housing for Low Income Households and Special Needs Populations**, by building new rental housing for households which the private market does not serve.
- **Expanding and Preserving Homeownership**, by providing downpayment and closing cost assistance and housing counseling services.
- **Create Innovative Partnerships** Between Government and the Private Sector by Creating Ordinances, Plans and Policies that Expand Housing Opportunities and Support Economic Diversity

Organization of the Plan

The affordable housing plan is organized according to the MFA requirements for such plans, including the following sections:

Community Profile

- Demographics, including the characteristics of the local population and economic conditions
- Housing, including general characteristics of the Bernalillo County housing stock

Housing Market Analysis

- Discussion of the recent development trends and the market for homes for sale and demand for affordable rentals

Housing Needs Assessment,

- Identifying existing and projected needs for rental and owner housing

Goals, Policies and Quantifiable Objectives

- Suggested target number of new and rehabilitated units per year by type
- Outcome indicators for housing assistance and supportive housing programs

Land Use and Policy Review

- Regulatory and monetary constraints to developing new housing
- Examination of potential affordable housing sites

Goals and Recommendations

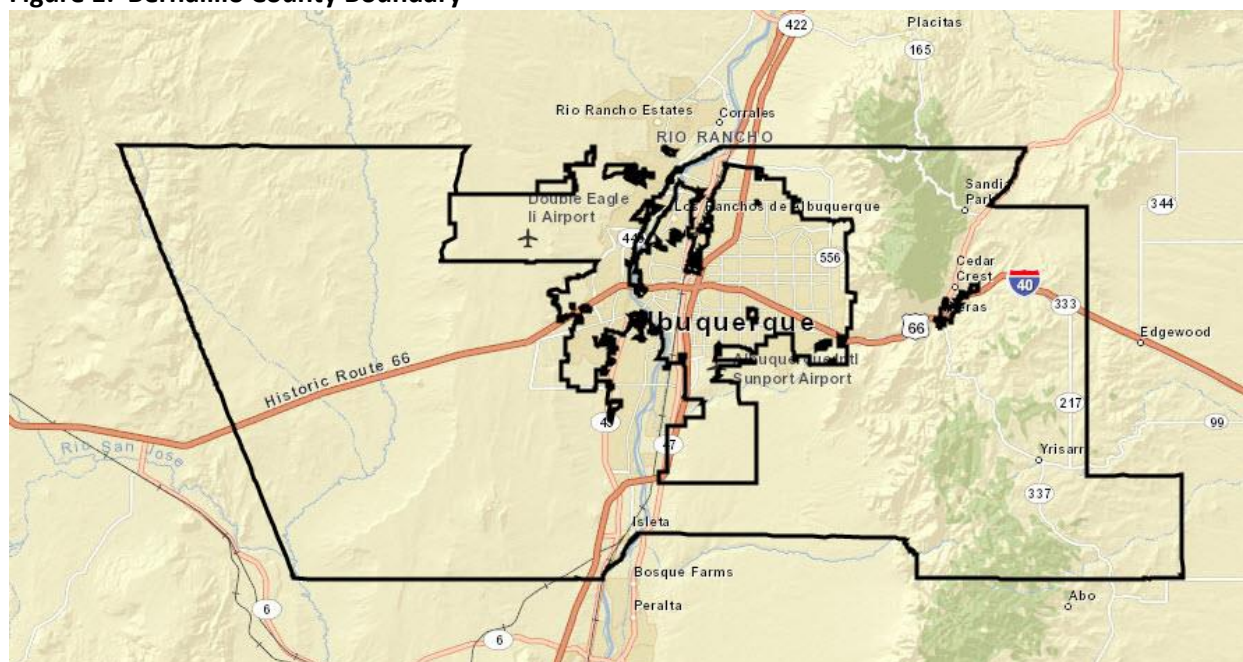
- Quantified goals and production targets to meet identified needs
- Regulatory and policy recommendations to reduce market constraints and facilitate the implementation of the plan

II. COMMUNITY AND HOUSING PROFILE

DEMOGRAPHIC CHARACTERISTICS

Bernalillo County, New Mexico is New Mexico's most populous county. Located in central New Mexico, Bernalillo County is home to Albuquerque and is the state's major economic center. Two major highways run through the county, I-25 running north-south, and I-40 running east-west. Bernalillo County borders Kirkland Air Force Base and the Sandia National Laboratories, and the Isleta Indian Reservation. Residents define areas of the county by direction, South Valley to the south of Albuquerque, western Bernalillo County, East Mountains to the east, and North Valley north of Albuquerque. The City of Rio Rancho is located directly north of Albuquerque in Sandoval County. The Rio Grande River runs through the county and Albuquerque. This study is of unincorporated Bernalillo County only.

Figure 1: Bernalillo County Boundary



Information in this Housing Plan will be presented for unincorporated Bernalillo County.

POPULATION

Between 2000 and 2010, the population in Bernalillo County increased by 8%, households increased by 8%, and median incomes increased by 23%. In Bernalillo County, net earnings have had the biggest impact on income growth, growing from 61 – 69% of income. Dividends, interest, rents, and personal current transfer receipts have also contributed to income growth according to the Bureau of Economic Analysis. The New Mexico Bureau of Business and Economic Research (BBER) forecasts that the population in unincorporated Bernalillo County will grow another 1.4% between 2014 and 2019, at a slower rate than throughout the county (3%), or the state of New Mexico (3%).

Table 1: Population in Unincorporated Bernalillo County, 2000 - 2019

	Unincorporated Bernalillo County	% Change	New Mexico	% Change
2000	102,505		1,819,046	
2010	110,423	7.7%	2,059,179	13.2%
2014	111,519	1.0%	2,112,201	2.6%
2019	113,038	1.4%	2,175,990	3.0%

Source: New Mexico Bureau of Business and Economic Research (BBER) and CSI

In Bernalillo County, population growth is a result of both births by current residents, and both international and domestic migration. By far the largest component of population change is births and natural population growth.

Table 2: Components of Population Change in Bernalillo County, April 2010 – July 2012

	Total Population Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
New Mexico	26,358	27,475	63,673	36,198	-1,069	4,229	-5298
Bernalillo County	10,896	8,523	19,871	11,348	2,548	1,807	741

Source: New Mexico Bureau of Business and Economic Research (BBER)

POPULATION BY AGE

The following table shows the population in unincorporated Bernalillo County in 2010, 2014, and 2019 by age group. The age groups with the largest population in both unincorporated Bernalillo County and the State of New Mexico have consistently been those age 17 and under, and age 35 – 54. The number and percentage of residents age 65 and over in both areas will grow from 2010 to 2019. In 2013, the median age was 36.4 in Bernalillo County and 36.9 in New Mexico, according to the American Community Survey (ACS).

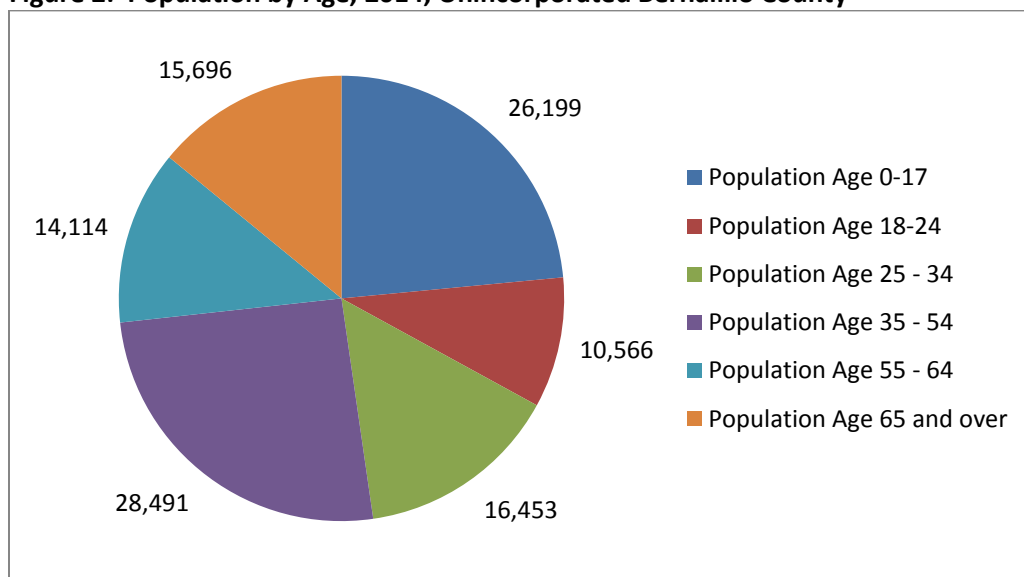
Table 3: Unincorporated Bernalillo County 2010-2019 Population by Age

2010						
	Unincorporated Bernalillo County	Percent of Total	Percent Change	New Mexico	Percent of Total	Percent Change
Population Age 0-17	28,121	25.5%		519,897	25.2%	
Population Age 18-24	9,823	8.9%		202,314	9.8%	
Population Age 25 - 34	12,181	11.0%		267,245	13.0%	
Population Age 35 - 54	31,617	28.6%		540,532	26.2%	
Population Age 55 - 64	14,829	13.4%		256,936	12.5%	
Population Age 65 and over	13,852	12.5%		272,255	13.2%	
Total	110,423	100.0%		2,059,179	100.0%	
2014						
	Unincorporated Bernalillo County	Percent of Total	Percent Change	New Mexico	Percent of Total	Percent Change
Population Age 0-17	26,199	23.5%	-6.8%	517,296	24.5%	-0.5%
Population Age 18-24	10,566	9.5%	7.6%	205,731	9.7%	1.7%
Population Age 25 - 34	16,453	14.8%	35.1%	280,524	13.3%	5.0%
Population Age 35 - 54	28,491	25.5%	-9.9%	514,654	24.4%	-4.8%
Population Age 55 - 64	14,114	12.7%	-4.8%	275,617	13.0%	7.3%
Population Age 65 and over	15,696	14.1%	13.3%	318,380	15.1%	16.9%
Total	111,519	100.0%	1.0%	2,112,201	100.0%	2.6%
2019						
	Unincorporated Bernalillo County	Percent of Total	Percent Change	New Mexico	Percent of Total	Percent Change
Population Age 0-17	26,283	23.3%	0.3%	523,485	24.1%	1.2%
Population Age 18-24	10,171	9.0%	-3.7%	208,739	9.6%	1.5%
Population Age 25 - 34	15,543	13.8%	-5.5%	284,403	13.1%	1.4%
Population Age 35 - 54	28,627	25.3%	0.5%	509,438	23.4%	-1.0%
Population Age 55 - 64	14,176	12.5%	0.4%	280,123	12.9%	1.6%
Population Age 65 and over	18,238	16.1%	16.2%	369,802	17.0%	16.2%
Total	113,038	100.0%	1.4%	2,175,990	100.0%	3.0%

Source: New Mexico Bureau of Business and Economic Research (BBER), 2010 ACS, Claritas Data, and CSI

The number of seniors is low compared to the number of children, younger adults and those approaching retirement. The percentage of residents in each range is very similar to the age distribution of residents throughout the state.

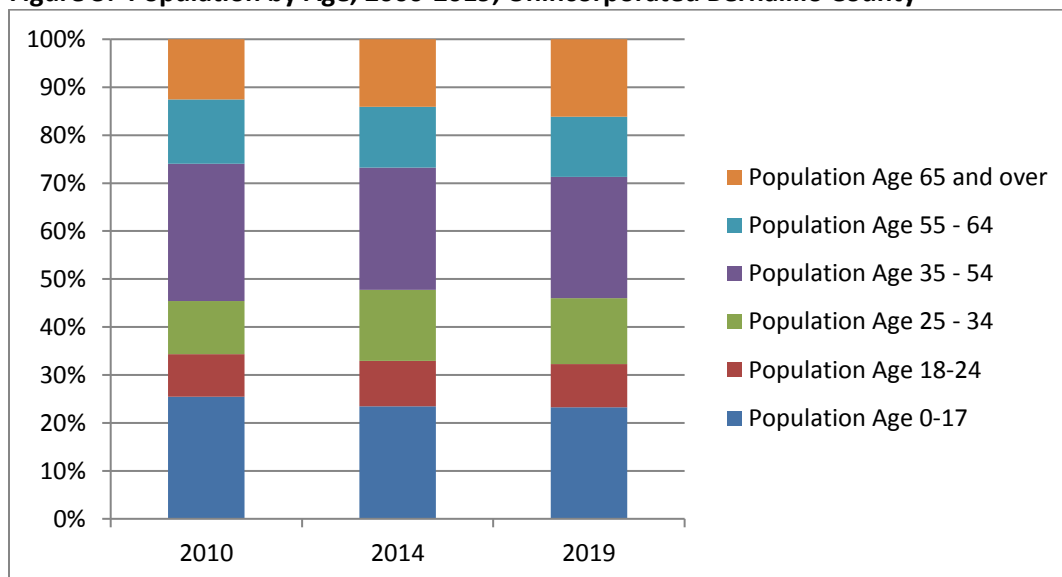
Figure 2: Population by Age, 2014, Unincorporated Bernalillo County



Source: Source: New Mexico Bureau of Business and Economic Research (BBER), 2010 ACS, Claritas Data, and CSI

The makeup of Bernalillo County's population is not forecast to change significantly between 2000 and 2019, but the percentage of older residents age 65 and older will grow from 12.5% of the population in 2010 to 16.1% of the population in 2019. This could lead to a need for more senior targeted housing solutions.

Figure 3: Population by Age, 2000-2019, Unincorporated Bernalillo County



Source: New Mexico Bureau of Business and Economic Research (BBER), 2010 ACS, Claritas Data, and CSI

POPULATION BY RACE AND ETHNICITY

The majority of the population in Bernalillo County is white. Those who identify themselves as Hispanic or Latino make up 40.5% of the total population and 46.5% of the population in unincorporated areas. Under three percent (2.8%) of the population is African American and another 2.3% are Asian. Native Americans make up 12.6% of the population in unincorporated Bernalillo County. Unincorporated Bernalillo County has a lower percentage of White alone, Hispanic or Latin, and "Some other race alone" residents than throughout New Mexico.

Table 4: Population by Race and Ethnicity, Bernalillo County 2012

	Unincorporated Bernalillo County			New Mexico		
	Total	Percent of Total	% Hispanic /Latino	Total	Percent of Total	% Hispanic /Latino
White alone	76,368	69.2%	46.5%	1,492,641	72.6%	59.5%
Black or African American alone	802	0.7%	21.1%	41,634	2.0%	98.3%
American Indian and Alaska Native alone	6,385	5.8%	12.6%	189,785	9.2%	91.4%
Asian alone	837	0.8%	3.0%	26,855	1.3%	98.8%
Native Hawaiian and Other Pacific Islander alone	98	0.1%	0.0%	1,344	0.1%	100.0%
Some other race alone	22,194	20.1%	99.1%	240,189	11.7%	99.8%
Two or more races	3,739	3.4%	54.9%	62,839	3.1%	98.6%
Total	110,423	100.0%	54.8%	2,055,287	100.0%	46.3%

Source: US Census American Community Survey and CSI

Between 2000 and 2010, the percentage of white residents in unincorporated Bernalillo County dropped from 74.4% to 69.4%, according to the US Census Bureau. During the same period, the percentage of those of Hispanic or Latino origin rose from 42.0% to 47.9%. From 2010 to 2012, the racial and ethnic makeup of county residents has remained stable.

HOUSEHOLD INCOMES

In unincorporated Bernalillo County, 49%, or 18,673 households have incomes below \$50,000 a year, just above 80% AMI in Bernalillo County. The median income in Bernalillo County is higher than in New Mexico. Unincorporated Bernalillo County also has a higher percentage of households with incomes above \$50,000 than statewide.

Table 5: Household Incomes in Bernalillo County, 2012

Number	Unincorporated Bernalillo County	New Mexico
Less than \$10,000	2,715	70,369
\$10,000 to \$14,999	2,210	48,969
\$15,000 to \$24,999	4,271	96,797
\$25,000 to \$34,999	4,404	89,020
\$35,000 to \$49,999	5,073	111,308
\$50,000 to \$74,999	6,858	133,356
\$75,000 to \$99,999	4,302	85,103
\$100,000 to \$149,999	5,254	80,479
\$150,000 to \$199,999	1,982	27,409
\$200,000 or more	1,983	21,034
Total	38,082	763,844
Percent of Total	Unincorporated Bernalillo County	New Mexico
Less than \$10,000	7.1%	9.2%
\$10,000 to \$14,999	5.8%	6.4%
\$15,000 to \$24,999	11.2%	12.7%
\$25,000 to \$34,999	11.6%	11.7%
\$35,000 to \$49,999	13.3%	14.6%
\$50,000 to \$74,999	18.0%	17.5%
\$75,000 to \$99,999	11.3%	11.1%
\$100,000 to \$149,999	13.8%	10.5%
\$150,000 to \$199,999	5.2%	3.6%
\$200,000 or more	5.2%	2.8%
Total	38,082	763,844
Median income (dollars)	\$51,341	\$44,886

Source: US Census American Community Survey and CSI

The Per Capita Income in Bernalillo County was \$26,814 in 2013, according to the 2009 – 2013 US Census Bureau American Community Survey. In Bernalillo County, net earnings have had the biggest impact on income growth, growing from 61 – 69% of income. Dividends, interest, rents, and personal current transfer receipts have also contributed to income growth according to the Bureau of Economic Analysis. The following table shows per capita and median incomes over time in Bernalillo County and New Mexico. Incomes in Bernalillo County are historically higher than throughout the entire state, and have grown over time.

Table 6: Per Capita and Median Incomes Over Time

	Per Capita Income			Median Income		
	2000	2010	2013	2000	2010	2013
Bernalillo County	\$20,790	\$26,143	\$26,814	\$38,723	\$47,481	\$48,801
New Mexico	\$17,261	\$22,966	\$23,763	\$33,974	\$43,820	\$44,927

Source: US Census American Community and US Census

The following table breaks down the number of households in unincorporated Bernalillo County by HUD AMI level and tenure. As is true in all communities, owners are concentrated in higher income categories, and most renters are in lower income categories. Over 50% of renters in unincorporated Bernalillo County have incomes at or below 50% of the AMI.

Table 7: Households by AMI, 2014

Number	Percent of AMI	Owner Occupied	Renter Occupied
\$0 to \$17,950	0 - 30% AMI	3,342	2,384
\$17,951 to \$29,900	31-50 % AMI	3,650	1,437
\$29,901 to \$47,850	51-80 % AMI	5,367	1,460
\$47,851 to \$57,800	81-100 % AMI	2,475	467
\$57,801 and up	Over 100%	16,434	1,680
	Total HH	31,267	7,428
Percent	Percent of AMI	Owner Occupied	Renter Occupied
\$0 to \$17,950	0 - 30% AMI	10.7%	32.1%
\$17,951 to \$29,900	31-50 % AMI	11.7%	19.3%
\$29,901 to \$47,850	51-80 % AMI	17.2%	19.7%
\$47,851 to \$57,800	81-100 % AMI	7.9%	6.3%
\$57,801 and up	Over 100%	52.6%	22.6%
	Total HH	31,267	7,428

Source: US Census American Community Survey and CSI

POVERTY

There were 19,415 persons living in poverty in unincorporated Bernalillo County, according to the 2012 census. Minority and Hispanic households are more likely to live in poverty than white households. Poverty rates are lower in Bernalillo County than throughout the State of New Mexico, where 19.5% of residents were living in poverty in 2012.

Table 8: Poverty Level by Race and Ethnicity, Bernalillo County, 2012

	Unincorporated Bernalillo County		
	Total	Below poverty level	Percent below poverty level
White	74,938	11,270	15.0%
Black or African American	570	121	21.2%
American Indian/Alaska Native	5,888	1,370	23.3%
Asian	836	56	6.7%
Native Hawaiian/Other Pacific Islander	93	75	80.6%
Some other race	21,747	6,193	28.5%
Two or more races	3,547	330	9.3%
All Persons	107,619	19,415	18.0%
Hispanic or Latino	59,439	14,213	23.9%

Source: US Census American Community Survey and CSI

The number of persons below the poverty level in unincorporated Bernalillo County has risen from 2000 – 2012 for most racial and ethnic groups. The percent of Hispanic persons in poverty rose 30.5% in unincorporated Bernalillo County.

Table 9: Change in Poverty Level by Race and Ethnicity, Bernalillo County, 2000-2012

	Unincorporated Bernalillo County	
	Total	Below poverty level
White	10.8%	41.1%
Black or African American	-58.0%	-6.2%
American Indian and Alaska Native	13.9%	11.6%
Asian	57.7%	51.4%
Native Hawaiian and Other Pacific Islander	-2.1%	
Some other race	-2.1%	34.9%
Two or more races	-17.8%	-63.6%
Population for whom poverty status is determined	6.2%	30.5%
Hispanic or Latino origin (of any race)	14.4%	30.3%

Source: US Census American Community Survey and CSI

According to the 2012 American Community Survey, residents of Bernalillo County receive less public assistance income than residents throughout New Mexico. Twenty-six per cent (26.6%) of Bernalillo County residents receive Social Security income, 4.9% receive SSI, and 13.9% receive cash public assistance or SNAP benefits.

Table 10: Public Assistance Income, 2012

	New Mexico	Bernalillo County
Social Security Income	30.4%	26.6%
Supplemental Security Income (SSI)	5.6%	4.9%
Cash public assistance or Food Stamps/SNAP	14.9%	13.9%

Source: US Census American Community

ECONOMY AND LOCAL EMPLOYMENT

The US Census Bureau American Community Survey provides information that makes it possible to estimate labor force dynamics for unincorporated Bernalillo County.

Bernalillo County is part of the Albuquerque MSA labor market. There were 52,063 persons in the labor force in unincorporated Bernalillo County in 2012. Of these, 48,678 were employed and 3,385 were unemployed. The unemployment rate was 6.3% county-wide and 6.5% in unincorporated Bernalillo County. The December 2014 seasonally adjusted unemployment rate for the entire county was 5.4%, similar to the statewide rate of 5.5%. The unemployment rate in the Albuquerque MSA, including Bernalillo County, has been declining. The 2013 annual average rate was 6.9%. The unemployment rate in the Albuquerque MSA is lower than throughout New Mexico.

Table 11: Labor Force Information, Unincorporated Bernalillo County, 2012

	Unincorporated Bernalillo County		New Mexico	
	Number	Percent	Number	Percent
Population aged 16 and over	83,631	100.0%	1,597,923	100.0%
In labor force:	52,063	62.3%	970,728	60.7%
Employed	48,678	58.2%	882,461	55.2%
Unemployed	3,385	4.0%	88,267	5.5%
Not in labor force	31,568	37.7%	618,304	38.7%
Unemployment Rate	6.5%		9.1%	

Source: US Census American Community Survey

The labor force in unincorporated Bernalillo County grew from 2000 – 2010, by 13.3. The employment market in the Albuquerque MSA has been recovering, but unemployment levels have been slow to decline and job growth over the past year overall has been minimal. According to the Bernalillo County Economic Development Department, there are no known new economic development efforts which will add large numbers of employees to the Albuquerque MSA employment market or which are expected to change the market in any significant way.

Table 12: Labor Force Changes, Bernalillo County, 2000 – 2010

	Unincorporated Bernalillo County		
	2000	2010	Change
Agriculture, forestry, fishing and hunting, and mining	315	493	56.5%
Construction	5,262	6,127	16.4%
Manufacturing	3,653	3,181	-12.9%
Wholesale trade	1,428	1,558	9.1%
Retail trade	4,596	4,744	3.2%
Transportation and warehousing, and utilities	2,174	1,880	-13.5%
Information	1,177	931	-20.9%
Finance, insurance, real estate, and rental and leasing	2,428	2,384	-1.8%
Professional, scientific, management, administrative, and waste management services	5,206	6,723	29.1%
Educational, health and social services	8,242	10,934	32.7%
Arts, entertainment, recreation, accommodation and food services	3,571	4,281	19.9%
Other services (except public administration)	2,195	2,186	-0.4%
Public administration	2,716	3,256	19.9%
Total:	42,963	48,678	13.3%

Source: US Census American Community Survey

The industries with highest employment in Bernalillo County were educational service, healthcare, and social services, construction, professional, scientific, management administrative, and waste management services, retail trade, and arts, entertainment, recreation, accommodations and food services. In the unincorporated county, professional, scientific, management, administrative and waste also had high growth. Growth industries in unincorporated Bernalillo County are similar to the entire Albuquerque MSA and state of New Mexico. The New Mexico Labor Market Review published in January of 2015 indicates that industries that are growing in unincorporated Bernalillo County are forecast to continue to grow throughout New Mexico, especially healthcare, food service related industries, and education and teaching fields. A recent forecast for the Albuquerque MSA market anticipates that oil and gas employment will decline as a growth industry, while gas prices remain low.

The following table shows the largest employers located in unincorporated Bernalillo County. There are no large scale employment changes expected in the unincorporated areas of Bernalillo County, though some of the food service companies operating in the unincorporated county have been adding jobs and expect to continue to do so. Employment at the Las Estancias development at Rio Bravo and Coors Boulevards is expected to continue to grow. The WW Healthcare LLC skilled nursing facility has added healthcare jobs, and the Economic Development Department expects that hundreds of healthcare, retail, and restaurant jobs could be added at the site over time.

Table 13: Largest Employers in Unincorporated Bernalillo County

Company	Project Description	Number of Jobs
US Food Service	Warehouse/Distribution	185
Friedman Recycling	Recycling Center	35
Admiral Beverage Corporation	Warehouse/Distribution	205
Las Estancias	Mixed-Use Development	230
Rodgers Plumbing	Commercial/Residential Plumbing	90
Total		745

Source: Economic Development Department, Bernalillo County

SPECIAL NEEDS POPULATIONS

In 2012, there were 9,254 veterans in unincorporated Bernalillo County. Veterans made up 12.7% of the civilian population age 18 and over, according to the 2009 – 2012 American Community Survey five year estimate. The percent of veterans in unincorporated Bernalillo County in the civilian population is higher than the statewide rate of 11.4% in 2012.

The US Census American Community Survey collects data related to disability status. In unincorporated Bernalillo County, 11.2% of the population, or just over 12,000 people, had a disability in 2012. The percent of residents with a disability is less than the 2012 statewide rate of 13.7%. Persons may have more than one self-reported disability in the table below. The most common disabilities were ambulatory difficulty, cognitive difficulty, and difficulty with independent living. These disabilities can all require service enriched or modified housing units, and those living with disabilities can encounter barriers when looking for accessible and service enriched housing units that are affordable to them.

Table 14: Disability Status: 2012

	Unincorporated Bernalillo County	
	With a disability	Percent with a disability
Total civilian noninstitutionalized population	12,044	11.2%
Population under 5 years	42	0.6%
With a hearing difficulty	42	0.6%
With a vision difficulty	42	0.6%
Population 5 to 17 years	668	3.2%
With a hearing difficulty	108	0.5%
With a vision difficulty	88	0.4%
With a cognitive difficulty	501	2.4%
With an ambulatory difficulty	153	0.7%
With a self-care difficulty	111	0.5%
Population 18 to 64 years	6,403	9.7%
With a hearing difficulty	1,402	2.1%
With a vision difficulty	1,100	1.7%
With a cognitive difficulty	2,664	4.0%
With an ambulatory difficulty	3,473	5.3%
With a self-care difficulty	1,220	1.9%
With an independent living difficulty	2,472	3.8%
Population 65 years and over	4,931	34.5%
With a hearing difficulty	2,203	15.4%
With a vision difficulty	987	6.9%
With a cognitive difficulty	1,203	8.4%
With an ambulatory difficulty	3,210	22.5%
With a self-care difficulty	1,280	9.0%
With an independent living difficulty	2,135	14.9%

Source: US Census American Community Survey 2008-2012

The percent of the population with disabilities increases as the population ages. For persons age five and under, the two disabilities that are tabulated are hearing and vision disabilities. For persons age 65 and older, 37.6% have one of the disabilities listed above. As seniors age, the frequency of ambulatory, self-care and independent living disabilities increases greatly.

Table 15: Persons with Disabilities by Age, Unincorporated Bernalillo County

	With Disability	Percent within Age Range
Population under 5 years	42	0.6%
Population 5 to 17 years	668	3.2%
Population 18 to 64 years	6,403	9.7%
Population 65 years and over	4,931	34.5%

Source: US Census American Community Survey 2008-2012

The following table provides data related to the number of Bernalillo County residents who have HIV/AIDS, and substance abuse issues.

Table 16: Additional Special Population Data

Persons with HIV/AIDS, Bernco	1,430	(2009, New Mexico Dept of Health - latest figures)
Treatment Admissions, Albuquerque	4,000	(2008, US Dept of Health and Human Services, Office of Applied Studies)
Alcohol Treatment	1,640	(2008, US Dept of Health and Human Services, Office of Applied Studies)
Other Drug Treatment	2,360	(2008, US Dept of Health and Human Services, Office of Applied Studies)

In Bernalillo County, there are county run and nonprofit organizations that specialize in serving persons with mental illness, developmental disabilities, the frail elderly, and persons with substance abuse issues. None of these agencies has a total count of persons in Bernalillo County with the disability that they serve, and each serves residents of unincorporated Bernalillo County, as well as residents of Albuquerque. Therefore, while some are located in Albuquerque, they are included in this document.

Independent Living Resources in Albuquerque provides services to all persons with disabilities in Bernalillo County. Their services are designed to help improve the quality of clients' lives. The agency provides advocacy, counseling, and independent living skill training for persons with any disability, rental housing/home ownership counseling, home modifications to accommodate disability, and assistance with obtaining in-home care services and accessible, affordable housing units. Staff members identify a need for more accessible housing targeted to extremely low income households. Clients living on SSI or SSDI cannot afford to live in many affordable properties that do not also have rental assistance.

ARCA provides housing and services to persons with developmental disabilities, including supported independent living in apartments, group homes, and intermediate care facilities. Therapeutic Living Services, Inc. (TLS) is a community mental health center that provides comprehensive community support services and housing options, rehabilitation and education. Services range from 24-hour staffed structured group homes to independent living. The type of housing offered and the supportive services provided is individualized to each consumer's needs.

Goodwill Industries provides workforce and job development services to residents county-wide. The agency assists clients with job development, job training, and case management. Goodwill Industries also provides supportive services

to veterans, including housing, rapid re-housing, security deposits, and homeless prevention funding. The organization also operates a traumatic brain injury program that provides short term assistance in the form of rent deposits and utility deposits. Agency staff note there is a gap in housing assistance, including rental assistance, and funding of rental and utility deposit assistance.

New Life Homes develops and manages many supportive housing units in the Albuquerque area. Many are HUD financed properties that offer rental assistance to clients. Some newer properties are mixed use housing, with a mix of homeless, special needs, affordable, and student housing. The agency has redeveloped two historic buildings into affordable housing in Albuquerque, using a mix of HUD, LIHTC and other financing. Staff notes a lack of decent buildable land with infrastructure as a gap to building affordable rental units.

The **Bernalillo County Metropolitan Assessment and Treatment Center** offers a wide variety of services to clients with substance abuse issues. The agency offers inpatient and outpatient detox, for up to a 10 day stay. They have a jail based 28 day program for persons with alcohol addiction, and an 80 bed transitional housing facility for persons coming out of detox. At this facility, residents are allowed to stay for up to six months, and receive counseling and assistance finding a job. The Center also operates the Renee's Project, a permanent housing program that provides permanent housing and links to community-based recovery services for homeless women and children, and the Milagro Program, 10 beds of substance abuse aftercare recovery support to pregnant or postpartum women with substance abuse issues in need of care. Staff note the need for housing is increasing, and that many of their clients (30%) are identified as homeless when they go into detox. It can be difficult for clients to recover if they do not have a stable residence.

The **Bernalillo County Metropolitan Detention Center (MDC)** has a psychiatric services unit that provides mental health services to jail inmates. In 2014, there were approximately 28,000 bookings into the jail, and there were 28,919 total jail releases. A study conducted for MDC by the Institute for Social Research in January 2015 estimated that approximately 25% to 45% of the jail's population is being provided services by the psychiatric services unit. A 2006 Bureau of Justice Statistics (BJS) study reported that 64% of jail inmates reported mental health problems nationally, and 21% reported a history of mental health issues including a clinical diagnosis or treatment by a mental health professional. The caseload at any time for the psychiatric services unit is around 800 persons.

Many national studies show that targeted interventions for persons released from jail who has mental health and substance abuse issues reduce recidivism. A study of the Albuquerque Heading Home program found that the Heading Home program significantly reduced bookings into the jail. A new supportive housing program is being developed by the City of Albuquerque and Bernalillo County. Housing and services are being funded by both jurisdictions, and will be operated by the Public Safety Division of the County. A Transition Coordinator will oversee the transition from incarceration to the community based program, ensuring that housing is available at the time of release, and that services are available at this time. The county is contracting with 2 – 3 service providers, and program participants will provide group, peer, and individual counseling, parenting counseling, case management, parenting counseling, and employment counseling. Bernalillo County expects to reduce jail bookings and the cost of incarceration for persons with mental illness through this program. This supportive housing program is key to the success of the Heading Home program, as inmates involved in the program have incomes at 0 – 30% AMI, most have no income, and cannot afford to make a housing payment upon release. By providing housing at no or little cost, and wrap around services, recidivism among participants should decline.

Bernalillo County MDC has also developed a Jail Population Management Plan, in order to reduce the number of inmates at the Detention Center at any time. The Supportive Housing Program is one of many initiatives being implemented and planned to reduce unnecessary incarceration. Another intervention focused on persons with mental health issues is to implement a Crisis Triage Center system, which should reduce bookings of persons in mental health crisis and divert them to the triage center instead of to jail. This strategy is currently being studied and designed for implementation in future years.

Other treatment facilities in Bernalillo County include the **Crossroads for Women** residential treatment facilities and half-way houses, and **Oxford House**, which owns many small group homes for men, women, and women and children. The **Salvation Army** operates a six month residential treatment program for men, and **St. Martin's Hospitality Center** operates long term residential treatment for clients with mental health and substance abuse issues, a half-way house, and program for clients with severe mental illness.

HELP New Mexico offers childcare and adult care, food programs, workforce education and training, job placement and support services. They are the lead agency for Special Needs units at LIHTC properties in Bernalillo County, and work with rental unit owners and special needs providers to place clients into price restricted rental units that are set aside for special needs persons being served by local providers.

New Mexico AIDS Services (NMAS) is the provider for persons with HIV/AIDS in Bernalillo County. The New Mexico Department of Health tracks the number of persons with HIV/AIDS by county, and estimated that in 2009 there were 1,430 in Bernalillo County. NMAS provides medical case management, assisted living and housing assistance, and support to clients. Rental assistance is provided using HOPWA funds, and by placing clients in four units owned by the agency. NMAS also provides education about HIV/AIDS prevention and AIDS testing.

Homeless providers serving Bernalillo County were interviewed to prepare this analysis of homeless needs within the county. The New Mexico Coalition to End Homelessness conducts a one night Point-in-Time (PIT) count of homelessness each year, which includes Bernalillo County outside Albuquerque. In January of 2013, there were a total of 105 homeless persons counted at the Joy Junction shelter in unincorporated Bernalillo County. The following table breaks these individuals into various categories. Seventy percent (70%) of homeless counted at Joy Junction during the 2013 PIT were households without children. Almost half were age 18 – 24, homeless youth. Of those served on the night of the count, 19 were chronically homeless, 18 had severe mental illness, and 12 had chronic substance abuse issues.

Table 17: 2013 Unincorporated Bernalillo County Point in Time Count

	Number
Households with children	9
Persons (under 18)	18
Persons (18-24)	5
Persons (over 24)	12
Households without Children	58
Persons (18-24)	32
Persons (over 24)	38
Total # of persons	105
Chronically Homeless Individuals	19
Chronically homeless Families	2
Chronically homeless Family Members	8
Severely Mentally Ill	18
Chronic Substance Abuse	12

Source: New Mexico Coalition to End Homelessness

Joy Junction is the only homeless shelter located in unincorporated Bernalillo County. Joy Junction can shelter 300 persons per night, and serves an average of 60 - 80 children per night. The shelter has 87 beds. S.A.F.E. House Battered Women's shelter provides shelter and services for victims of domestic violence. The agency operates an 85 bed facility in Albuquerque, as well as transitional housing units scattered in the Albuquerque area. Clients can stay at the shelter for up to 90 days. They are offered services during this time, including supplies, laundry, legal assistance, referrals to

other agencies, onsite clinical services, psychological group therapy, case management, and 24 hour staffing for safety. Safe House staff state that it is difficult to help clients become self-sufficient enough to leave in 90 days. The percentage of returning clients is growing, because of a lack of other affordable housing options, and a job market that makes finding entry level jobs very challenging. The agency turns away approximately 800 households each year because of a lack of space.

CLNKids provides shelter and services to families with children. The agency provides transitional housing, transportation support, case management, healthy food, early childhood education, job training, life skills training and self-sufficiency resources. Staff notes a lack of long term housing solutions for the families that they serve.

Enlace Comunitario is another domestic violence agency serving Bernalillo County. The agency offers transitional housing for up to 23 families at a time. The agency is able to pay rental assistance for clients through grants from the US Department of Justice and NM Mortgage Finance Authority. Clients are offered comprehensive case management services, counseling, legal services, and immigration services. Each year, the agency serves approximately 600 adult women and children. Children are also provided counseling and life skill services. Staff notes that demand for their services is on the rise, and many victims have to wait to receive services. Affordable housing units and employment are their client's biggest needs, as well as Spanish speaking staff at service agencies, more shelter beds, and better transportation options.

In addition to the providers listed above, two agencies provide housing services in unincorporated Bernalillo County. **The Bernalillo County Housing Department**, which operates as the Bernalillo County Housing Authority, owns and manages HUD financed and Public Housing units targeting senior and disabled residents. The Housing Department also operates the Housing Rehabilitation program, provides homebuyer counseling services, and manages HUD Section 8 rental assistance vouchers throughout Bernalillo County.

The **Central New Mexico Housing Corporation** provides housing weatherization services to households in unincorporated Bernalillo County who have incomes below the poverty level. These weatherization services can reduce household heating and cooling costs, which reduced overall housing costs.

HOUSEHOLD CHARACTERISTICS

EXISTING HOUSING

Almost 50% of all housing units in Bernalillo County were constructed prior to 1980, and deferred maintenance and disrepair are an issue for some of the housing stock within the unincorporated county. A Housing Rehabilitation program for low and moderate income households is offered by the Bernalillo County Housing Department and is important for ensuring that the existing housing stock is maintained. Planning Department staff have identified older privately owned rental housing properties in some areas of unincorporated Bernalillo County in the south valley that are in need of upgrades and repairs.

In unincorporated Bernalillo County, the percentage of owner occupied housing units that are single family homes is much higher than throughout New Mexico. This is also true for the rental housing stock.

Table 18: Housing Units by Tenure and Type, Bernalillo County, 2012

	Owner Occupied			
	Unincorporated Bernalillo County	Percent of Total	New Mexico	Percent of Total
1, detached	25,837	83.4%	410,600	78.0%
1, attached	556	1.8%	17,729	3.4%
2	42	0.1%	1,421	0.3%
3 or 4	31	0.1%	1,736	0.3%
5 to 9	0	0.0%	877	0.2%
10 to 19	22	0.1%	592	0.1%
20 to 49	0	0.0%	417	0.1%
50 or more	10	0.0%	425	0.1%
Mobile home	4,409	14.2%	91,653	17.4%
Boat, RV, van, etc.	56	0.2%	1,045	0.2%
Total:	30,963	100.0%	526,495	100.0%
	Renter Occupied			
	Unincorporated Bernalillo County	Percent of Total	New Mexico	Percent of Total
1, detached	3,606	50.7%	89,513	37.7%
1, attached	743	10.4%	11,025	4.6%
2	363	5.1%	12,734	5.4%
3 or 4	252	3.5%	26,769	11.3%
5 to 9	399	5.6%	20,086	8.5%
10 to 19	102	1.4%	18,360	7.7%
20 to 49	90	1.3%	12,144	5.1%
50 or more	77	1.1%	17,252	7.3%
Mobile home	1,487	20.9%	29,090	12.3%
Boat, RV, van, etc.	0	0.0%	376	0.2%
Total:	7,119	100.0%	237,349	100.0%

Source: US Census Bureau, American Community Survey 2008 - 2012

In unincorporated Bernalillo County, the homeownership rate is 81%, according to the US Census Bureau. The majority of owner occupied units have two, three or four bedrooms. Rentals are most likely to have one, two, or three bedrooms.

Table 19: Housing Units by Tenure and Bedroom, Bernalillo County, 2012

	Owner Occupied	Percent of Total	Renter Occupied	Percent of Total
No bedroom	431	0.3%	5,231	5.9%
1 bedroom	1,915	1.4%	26,597	29.9%
2 bedrooms	20,677	15.2%	33,941	38.1%
3 bedrooms	77,506	56.8%	18,023	20.2%
4 bedrooms	31,428	23.0%	4,894	5.5%
5 or more bedrooms	4,486	3.3%	319	0.4%
Total occupied Units	136,443	100.0%	89,005	100.0%

Source: US Census Bureau, American Community Survey 2008 - 2012

Units located in unincorporated Bernalillo County that are owner occupied have a newer median age than those in other areas of the county. Western unincorporated Bernalillo County has been an area with many new subdivisions built in the past few decades. Still, there are over 14,000 owner occupied units in unincorporated Bernalillo County that were

built before 1979. Local housing professionals and Bernalillo County Housing Rehabilitation Program staff report that many older units are in disrepair and in need of rehabilitation and system upgrades.

Rental units located in the unincorporated areas have an older median age than those in Albuquerque and Los Ranchos de Albuquerque. Most new rental housing is being built within the City of Albuquerque, and not outside the City limits. Key informants, including housing agencies, employers, and Bernalillo County Planning Department staff indicate a need for newer market rate and price restricted attached multi-family rental units in the areas directly surrounding the City limits along Bridge Boulevard in South Valley.

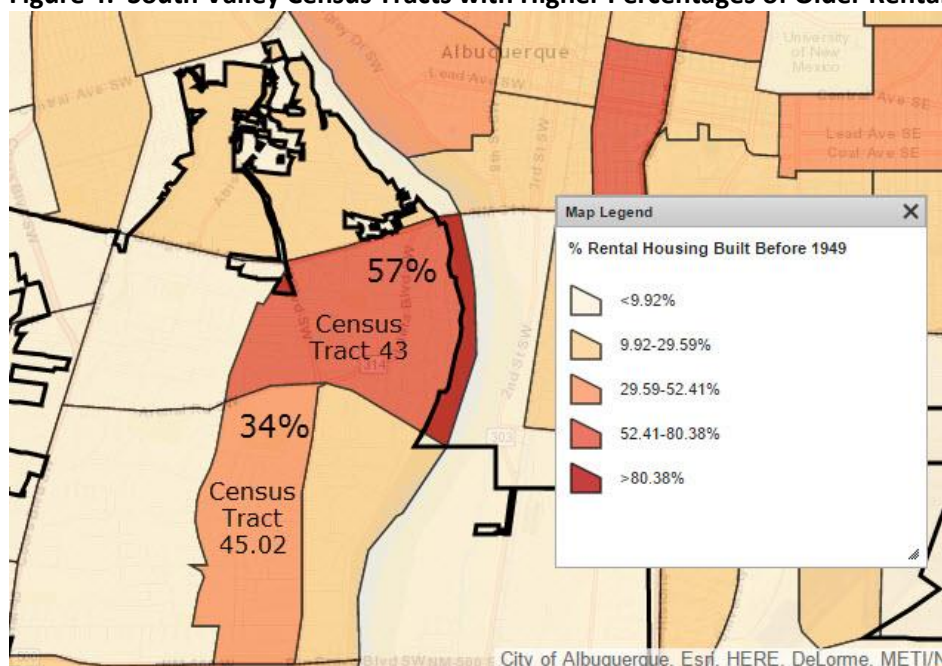
Table 20: Year Units Built by Tenure, 2008 - 2012

	Owner Occupied	Percent of Total	Renter Occupied	Percent of Total
Built 2010 or later	57	0.2%	0	0.0%
Built 2000 to 2009	4,131	13.3%	1,739	24.4%
Built 1990 to 1999	6,691	21.6%	775	10.9%
Built 1980 to 1989	5,873	19.0%	804	11.3%
Built 1970 to 1979	5,140	16.6%	1,447	20.3%
Built 1960 to 1969	3,366	10.9%	650	9.1%
Built 1950 to 1959	2,946	9.5%	668	9.4%
Built 1940 to 1949	1,620	5.2%	452	6.3%
Built 1939 or earlier	1,139	3.7%	584	8.2%
Total	30,963	100.0%	7,119	100.0%

Source: US Census Bureau American Community Survey 2008 - 2012

The following map show two census tracts in the south valley area along Bridge Boulevard that have a higher percentage of rental units constructed before 1949 than other parts of Bernalillo County. In Census Tract 43, 57% of all rentals were constructed before 1949. In tract 45.02, 34% of rentals were constructed before 1949.

Figure 4: South Valley Census Tracts with Higher Percentages of Older Rentals

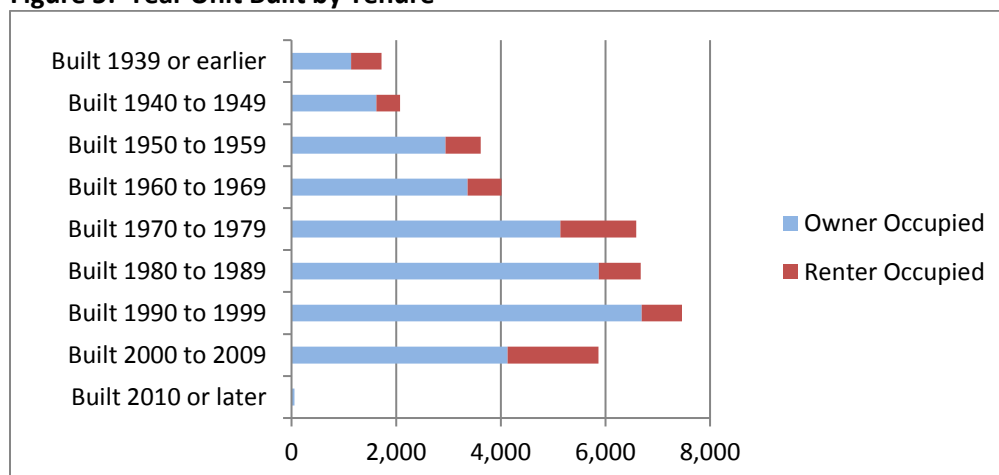


Source: HUD CPD Maps, 2011 ACS Data

While the total number of rental units constructed in each past decade has always been smaller than the number of owner occupied housing units, the ratio of rental units built compared to units for sale in unincorporated Bernalillo

County declined during the 1980s and 1990s, and only picked up after the year 2000. Very few units at all have been constructed in the unincorporated county since 2010.

Figure 5: Year Unit Built by Tenure



Source: US Census Bureau American Community Survey 2008 - 2012

The table below shows the total number of affordable rental units estimated to be available in Bernalillo County. Units are owned by housing authorities, nonprofit housing providers, and private owners. There are 6,149 affordable units in Bernalillo County. Of these, just the 124 units at Paseo del Sol, are located in the North Valley and serve families and the general population. There are 241 that serve seniors and persons with disabilities in unincorporated Bernalillo County. Many properties would not return calls to determine the total number of units or the number of restricted units. This information is not collected or distributed by the New Mexico Mortgage Finance Authority or local housing agencies.

Table 21: Rent Restricted Properties, Family and General Population Units

	Units	Restricted Units
Family and General Population Restricted		
Unincorporated Bernalillo County	124	124
Senior and Special Needs Restricted Units		
Unincorporated Bernalillo County	241	241

A rent survey of affordable properties was conducted for this study. Thirteen general or family properties and eight properties targeting seniors and persons with disabilities were contacted. The vacancy rate for family properties was 4.2% in May of 2014. Senior and special needs properties had a vacancy rate of .2%. The wait to occupy units at most properties is 6 – 24 months. All but two had waiting lists. Providers interviewed as part of the development of the Housing Plan note a lack of restricted rental units affordable to households at 50% AMI or less, and long waiting lists for units targeting the very lowest income households, those at 0 – 30% AMI.

HOUSEHOLDS, HOUSING SIZE

As Bernalillo County's population has grown, so has the number of households within the county. The following table shows the number of households in unincorporated Bernalillo County. However, the number of households in Tijeras and the unincorporated areas of the county have declined slightly from 2010 to 2014. The number of households throughout the state has grown during the past four years. Households are larger in unincorporated Bernalillo County than throughout the state.

Table 22: Households in Bernalillo County, 2000 – 2014

Year	Unincorporated Bernalillo County	Percent Change	New Mexico	Percent Change
2000	35,512		677,971	
2010	39,123	10.2%	756,112	11.5%
2014	38,694	-1.1%	790,839	4.6%
Average HH Size 2014	2.8		2.5	

Source: US Census American Community Survey and CSI

The following table shows household types and estimates the total number and percent of all households by type in 2012. The most common household type is married couple households, followed by non-family households. In unincorporated Bernalillo County, 73.7% of households are families. Households are more likely to be families in unincorporated Bernalillo County than throughout the State of New Mexico.

In New Mexico, 13.8% of households in 2012 were single females in a family with no husband present. This compares to 12.8% in unincorporated Bernalillo County. In the unincorporated areas, 6.8% of households were male householders in a family with no female present. In New Mexico, those households represented 5.7% of the total.

Table 23: Household Type, Bernalillo County 2012

Geography	Subject	Total households	% of Total	Average household size
New Mexico	Married-couple family household	351,522	46.0%	3.27
	Male householder, no wife present, family household	43,838	5.7%	3.59
	Female householder, no husband present, family household	105,627	13.8%	3.62
	Nonfamily household	262,857	34.4%	1.23
	Total	763,844	100.0%	2.63
Unincorporated Bernalillo County	Married-couple family household	20,591	54.1%	3.35
	Male householder, no wife present, family household	2,601	6.8%	3.49
	Female householder, no husband present, family household	4,874	12.8%	3.67
	Nonfamily household	10,016	26.3%	1.26
	Total	38,082	100.0%	2.78

Source: 2012 US Census American Community Survey, CSI

When residents have more than one person per room within their housing unit, they are considered “overcrowded”. This happens when there is a mis-match between the number of bedrooms in the existing housing stock, and the number of persons in households, and also when households choose to live within smaller units to save money. HUD calculated the number of households in Bernalillo County in 2010 that were considered overcrowded by income level and tenure. Throughout the entire county in 2010, there were 175 overcrowded renter households and 19 severely overcrowded renter households (more than 1.5 persons per room). There were many more overcrowded owner occupants. County-wide there were 519 overcrowded and 149 severely overcrowded owner occupied households. Most owner occupied units in Bernalillo County have between two and four bedrooms, and the average household size in Bernalillo County was 2.46 persons. According to County staff interviewed for this study, some households live with multiple generations, and in smaller, older, housing units that have been in families for generations, or which are small and may not have many rooms.

Table 24: Overcrowded Households, unincorporated Bernalillo County 2010

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	15	0	4	0	19	15	0	24	65	149
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	75	40	60	0	175	0	59	155	64	519

Source: HUD eCon Planning Suite Data, 2010

HOUSING MARKET ANALYSIS

Bernalillo County's housing market has made a steady recovery from the recession that started in 2008. Rental vacancy rates and rents are stable, as are prices of units for sale. Realtors® interviewed for this study indicate a lack of affordable units for sale within the county. There are gaps in the inventory of housing units to meet existing and growing demand, in the price ranges affordable at 80% AMI or less.

HOUSING COSTS

Rents in the Albuquerque metro area rose substantially between 2000 and 2012. However, for the past two years, the market has remained fairly flat, according to the CBRE Albuquerque/Santa Fe Market Survey. Rents are slowly rising, but have not increased greatly, and vacancies have remained stable. While the vacancy rate for the entire rental market was 6.9% in January, a rent survey of rent restricted properties shows a much lower vacancy rate of 4.2% in properties targeting families, and 1.0% in those targeting seniors and persons with disabilities. Most have waiting lists.

Table 25: Rental Market Overview, Albuquerque Market Area, January 2014

	Jan 13	May 13	Sept 13	Jan 14
Average Occupancy Rate	93.3%	93.9%	94.4%	93.2%
Number of Vacant Units	2,565	2,366	2,191	2,665
Weighted Average Square Footage	808	808	810	810
Weighted Average Rent	\$731	\$733	\$735	\$730
Rent Per Square Foot	\$0.90	\$0.91	\$0.91	\$0.90

Source: CBRE Albuquerque/Santa Fe Market Survey, January 2014

Surprisingly, over 40% of the rentals in the Albuquerque market area, which includes unincorporated Bernalillo County, are one bedroom units. Another 40% are two bedroom units, and the remaining units are studios, three bedroom units and four bedroom units.

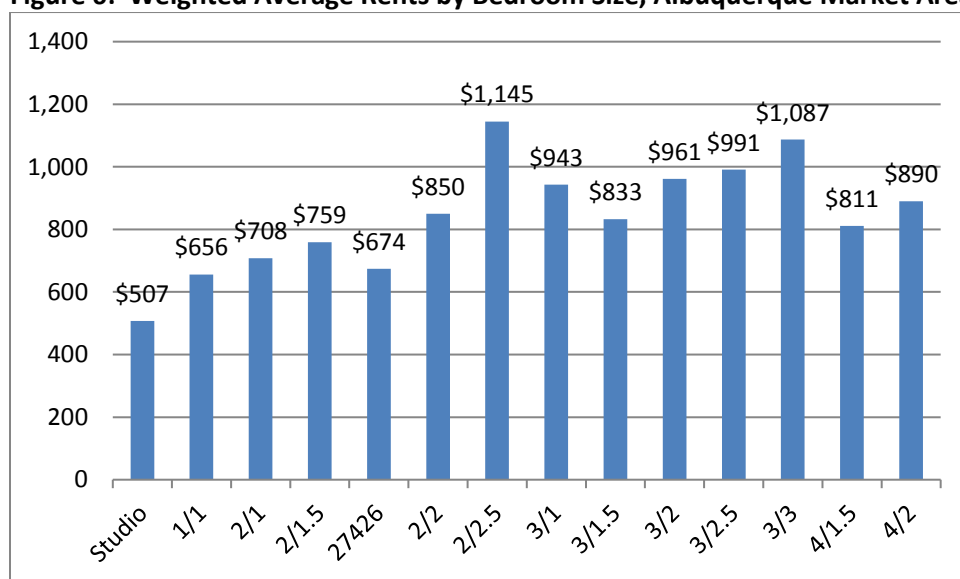
Table 26: Rental Market Detail, Albuquerque Market Area, January 2014

Unit Type	Total # Units	Percent Mix	# Vacant Units	Weighted Average SQ FT	Weighted Average Rent	Rent Per SQFT
Studio	2,988	7.68%	213	417	\$507	\$1.21
1/1	16,277	41.86%	999	669	\$656	\$0.98
2/1	5,420	13.94%	404	849	\$708	\$0.83
2/1.5	643	1.65%	56	883	\$759	\$0.86
2/1/75	40	0.10%	1	778	\$674	\$0.87
2/2	10,221	26.28%	748	1,003	\$850	\$0.85
2/2.5	198	0.51%	19	1,265	\$1,145	\$0.91
3/1	53	0.14%	1	1,095	\$943	\$0.86
3/1.5	272	0.70%	13	1,059	\$833	\$0.79
3/2	2,582	6.64%	203	1,179	\$961	\$0.82
3/2.5	62	0.16%	2	1,448	\$991	\$0.68
3/3	40	0.10%	3	1,317	\$1,087	\$0.83
4/1.5	14	0.04%	0	1,252	\$811	\$0.65
4/2	76	0.20%	3	1,140	\$890	\$0.78
TOTALS	38,886	100.00%	2,665	810	\$730	\$0.90

Source: CBRE Albuquerque/Santa Fe Market Survey, January 2014

The highest weighted average rents in the market area are for two bedroom 2.5 bath units and three bedroom three bath units. Households seem to be willing to pay higher rents for units with more bathrooms, which are desirable for larger families or households made up of roommates.

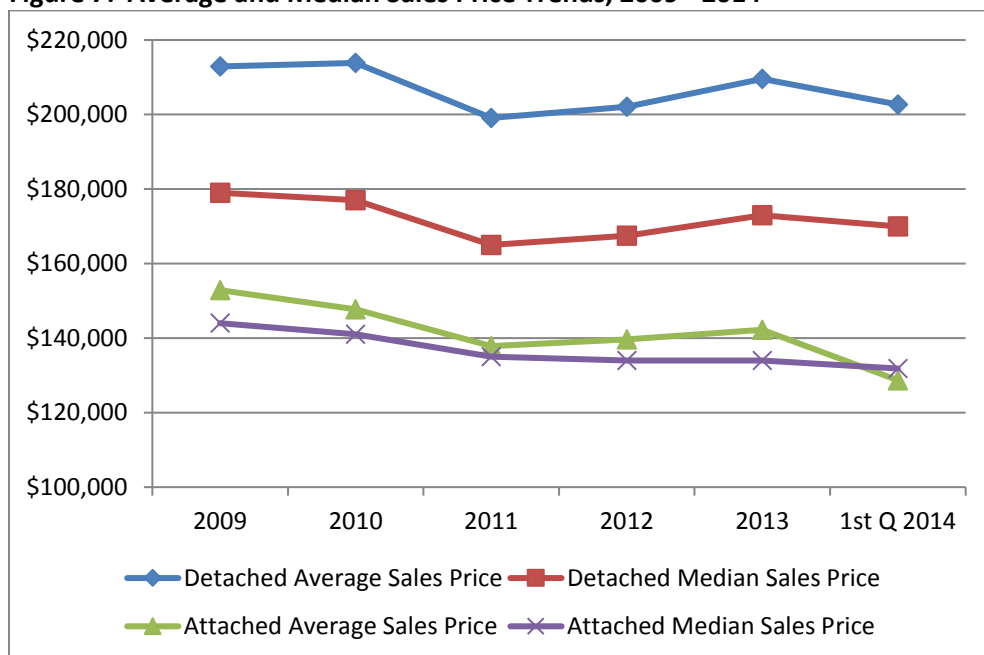
Figure 6: Weighted Average Rents by Bedroom Size, Albuquerque Market Area, January 2014



Source: CBRE Albuquerque/Santa Fe Market Survey, January 2014

According to the Greater Albuquerque Association of Realtors, the average sales price of a single family home in the Albuquerque market area declined between 2010 and the first quarter of 2014. The average and median sales prices rose from the first quarter of 2014 to June 2014, to an average of \$213,504 and median of \$180,000 for single family homes (R1), and an average of \$142,291 and median of \$144,750 for attached (R2) units. Prices are now similar to 2010 prices.

Figure 7: Average and Median Sales Price Trends, 2009 - 2014



Source: Greater Albuquerque Association of Realtors, 1st Quarter 2014

AFFORDABILITY

The following table calculates the affordability of the average rent and utility cost in Bernalillo County in 2014, based on the HUD median income for Bernalillo County (based on a family of four), and the 30% of income standard of affordability for rental housing. The average rent and utility cost was approximately \$805 in 2014, which is affordable to households earning 56% of the AMI. Of course, this rent is less affordable to households at this income limit with less household members.

Table 27: Median Income and Rental Housing Costs, 2014

HUD 2014 Median Income (4 person household)	\$57,800
30% AMI Median Income/Month	\$1,445
Average Rent + Utilities 2014	\$805
Annual Income Avg Rent Affordable To	\$32,200
Percent of AMI (4 person household)	56%

Source: CSI

The table below shows the affordability of the median priced home in Bernalillo County in 2014, using a 35% of income standard common for estimating affordability for homebuyers. The median priced home was affordable to households at 75% of the AMI in 2014.

Table 28: Median Income and Median Sales Price, 2014

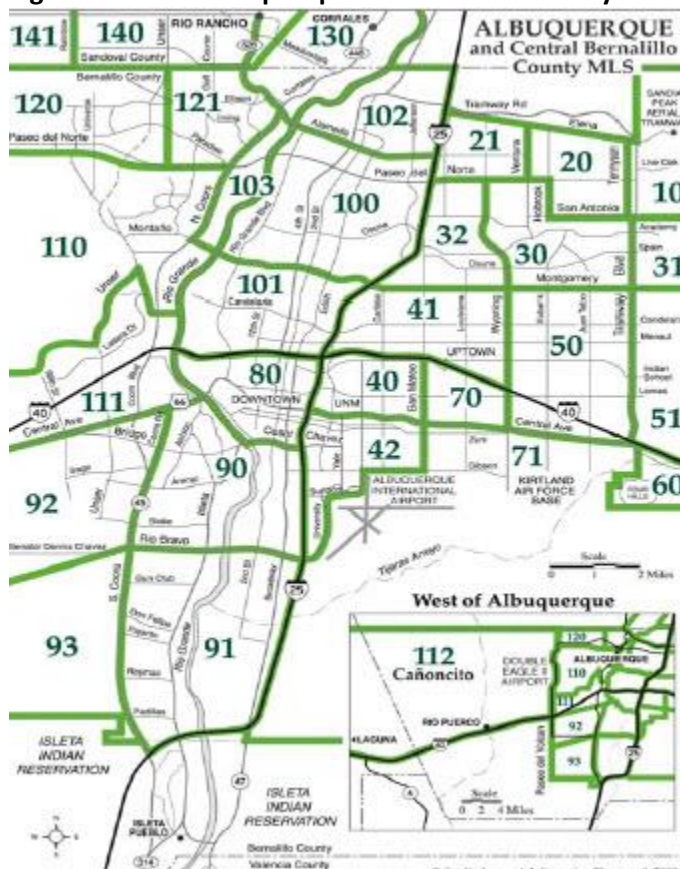
HUD 2014 Median Income (4 person household)	\$57,800
35% AMI Median Income/Month	\$1,686
Median Priced Home 2014	\$180,000
Monthly Payment - Median Priced Home	\$1,080
Annual Income Price Affordable To	\$43,200
Percent of AMI	75%

Source: CSI

RENT PROFILE

The following map shows the MLS sub-areas in the Albuquerque region. These sub-areas are used within the CBRE Albuquerque/Santa Fe Market Survey to measure rents and vacancies within smaller geographies.

Figure 8: CBRE Albuquerque Rental Market Study SubMarket Area Map



Source: CBRE Albuquerque/Santa Fe Market Survey

The subareas that include unincorporated areas around Albuquerque are 92, 110, and 111. There were only 181 vacant units in these unincorporated areas during this rent survey. The vacancy rate stood at just below 7% in January of 2014.

Table 29: Subarea Rental Data, Albuquerque Market Area, January 2014

MLS Area	Total # Units	# Vacant Units	Weighted Occupancy	Weighted Average SQFT	Weighted Average Rent	Rent Per SQFT
92	216	8	96.30%	918	\$639	\$0.70
110	1,092	51	95.33%	922	\$841	\$0.91
111	2,225	122	94.52%	838	\$704	\$0.84

Source: CBRE Albuquerque/Santa Fe Market Survey, January 2014

The September 2014 CBRE report shows that vacancies have declined to a 5.7% rate, and overall rents per square foot rose to \$0.93 per square foot from \$0.90. The market has continued strong occupancy and year-over-year rent growth. Rents from September 2013 to September 2014 rose 2.18%, from \$735 to \$751. Smaller units had higher percent rent gains during this time period. The number of properties offering concessions has been on the rise, from 18% in

September 2013 to 35% in September 2014. The CBRE survey speculates that these concessions are temporary and minimal, and meant to fill properties during slower traffic colder months.

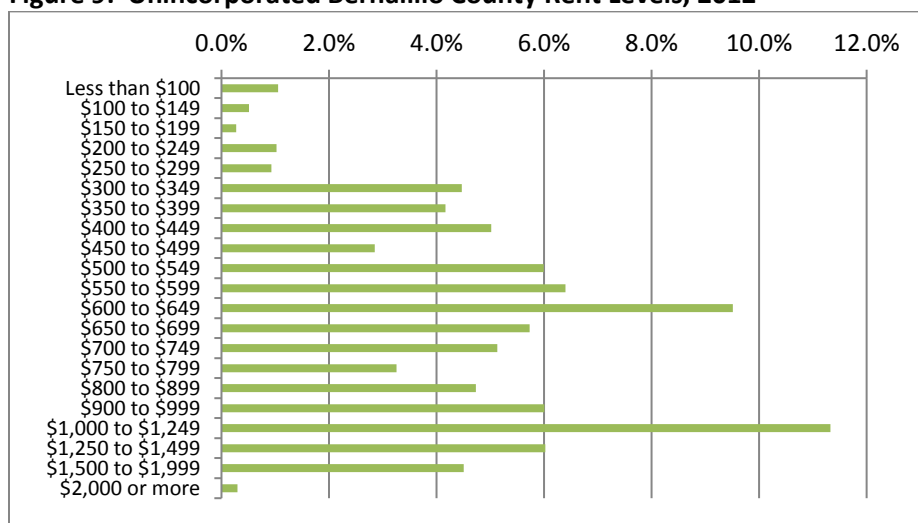
The US Census Bureau 2008- 2012 American Community Survey breaks down rents paid by residents into rent ranges in unincorporated Bernalillo County. Rents in the unincorporated areas of Bernalillo County tend to be spread throughout price ranges.

Table 30: Rent Levels in Unincorporated Bernalillo County, 2008- 2012

	Unincorporated Bernalillo County	Percent of Total
Less than \$100	84	1.1%
\$100 to \$149	41	0.5%
\$150 to \$199	22	0.3%
\$200 to \$249	82	1.0%
\$250 to \$299	74	0.9%
\$300 to \$349	357	4.5%
\$350 to \$399	333	4.2%
\$400 to \$449	401	5.0%
\$450 to \$499	228	2.9%
\$500 to \$549	479	6.0%
\$550 to \$599	511	6.4%
\$600 to \$649	760	9.5%
\$650 to \$699	458	5.7%
\$700 to \$749	410	5.1%
\$750 to \$799	260	3.3%
\$800 to \$899	378	4.7%
\$900 to \$999	480	6.0%
\$1,000 to \$1,249	905	11.3%
\$1,250 to \$1,499	481	6.0%
\$1,500 to \$1,999	360	4.5%
\$2,000 or more	24	0.3%
Median Contract Rent	\$654	

Source: US Census Bureau American Community Survey, 2008 - 2012

Figure 9: Unincorporated Bernalillo County Rent Levels, 2012



Source: US Census Bureau American Community Survey, 2008 - 2012

HOMEOWNERSHIP MARKET

According to the Greater Albuquerque Association of Realtors, the average sales price of a single family home in the Albuquerque market area declined between 2010 and the first quarter of 2014.

Table 31: Sales Data, Albuquerque Market Area, First Quarter 2014

	2009	2010	2011	2012	2013	1st Q 2014
Class R1						
Total Sold and Closed	7,307	6,925	6,984	7,891	9,050	1,784
Average Sales Price	\$212,946	\$213,852	\$199,096	\$202,120	\$209,585	\$202,672
Median Sales Price	\$179,000	\$177,000	\$165,000	\$167,500	\$173,000	\$170,000
Class R2						
Total Sold and Closed	797	759	612	725	891	168
Average Sales Price	\$152,867	\$147,749	\$137,834	\$139,674	\$142,188	\$128,700
Median Sales Price	\$144,000	\$141,000	\$135,000	\$134,000	\$134,000	\$131,842

Source: Greater Albuquerque Association of Realtors, 1st Quarter 2014

MLS sales listing data in May of 2014 was sorted to include only those located outside Albuquerque. In May, the average listing price of a single family home was \$281,704 in unincorporated Bernalillo County and \$254,769 for a condo or other attached unit. The median list price of a single family home was \$209,900 and \$204,900 for attached units. These prices are higher than the average and median sold prices for the entire county. Homes may not sell for what they are listed for, or higher prices in some areas outside the City, such as the area north of Albuquerque, may be the cause of this price difference.

The following table shows average sales price trends in MLS subareas 92, 110, and 111, outside Albuquerque. Prices have stayed flat in these areas of the county over the past five years. The number of sales has been increasing slowly during this time period.

Table 32: Sales Trends in Unincorporated Bernalillo County

	2010		2011		2012		2013		2014	
	Sales	AVG Sale Price	Sales	AVG Sale Price	Sales	AVG Sale Price	Sales	AVG Sale Price	Sales	AVG Sale Price
92	525	\$124,214	557	\$113,666	649	\$107,589	697	\$110,980	626	\$115,040
110	340	\$219,309	359	\$193,284	408	\$207,443	461	\$215,499	464	\$217,305
111	301	\$154,522	308	\$144,347	384	\$141,114	379	\$149,406	353	\$150,393

Source: Greater Albuquerque Association of Realtors

The Association of Realtors estimated in June of 2014 that there was between a six and seven month supply of units on the market in the greater Albuquerque area. This Absorption Rate grew from a six month supply in April of 2014. An average market traditionally has a six month supply of homes.

Residential assessed values declined between 2009 and 2013 in Bernalillo County, according to Assessor's Office data. Total residential valuation in 2013 rose above the 2009 level for the first time since 2009. The average value per parcel in 2013 has not yet risen to the level it was in 2009, though it is increasing each year.

Table 33: Residential Property Valuations in Bernalillo County, Changes Over Time, 2009 - 2013

	Residential Parcels	Total Residential Valuation	Change from Prior Year	Average Value/Parcel
2009	198,215	\$10,533,197,821		\$53,140
2010	198,952	\$10,315,485,048	-2.1%	\$51,849
2011	200,669	\$10,409,867,173	0.9%	\$51,876
2012	201,868	\$10,513,182,171	1.0%	\$52,079
2013	202,752	\$10,709,157,954	1.9%	\$52,819

Source: 2014 Annual Report Bernalillo County Assessor's Office

Home Mortgage Disclosure Act (HMDA) data is available for loans made on properties in Bernalillo County. This information provides an overview of mortgage lending practices within Bernalillo County in 2012. Specific areas evaluated (which may suggest potential discriminatory practices or trends) include high denial rates for minority and female applicants; very low denial rates; unusually low levels of applications from women, minorities and low and moderate-income persons; and a high number of applications withdrawn by minority applicants, as compared to non-minority applicants.

Data from HMDA was obtained for a total of 2,682 loan applications made in 2012 in unincorporated Bernalillo County. Of these, 50.1% were for conventional loans, 33.3% for FHA loans, and .1% for VA loans. Only 25.8% of loan applications were to purchase a home, while 69.9% were to refinance a home and 4.3% were to make home improvements. The large number of refinance loans is a reflection of the very low interest rates in 2012, and the lower number of homes being sold at that time in Bernalillo County.

Loan origination rates ranged from a low of 58.3% for African Americans, to a high of 67.1% for white households. Loan denial rates ranged from a low of 15.2% for whites, to a high of 29.6% for Native Americans. Hispanic households also had a lower loan origination rate than non-Hispanic households, and a higher loan denial rate. Women had origination and denial rates similar to all households in unincorporated Bernalillo County.

Table 34: Action Taken on Loan by Race, Ethnicity, and Sex Unincorporated Bernalillo County, 2012

Race/Ethnicity	Loan Originated	Loan Not Accepted by Applicant	Loan Denied	Application Withdrawn	File Closed	Total
Race:						
African American	58.3%	8.3%	25.0%	8.3%	0.0%	12
Asian/Pacific Islander	58.6%	0.0%	20.7%	17.2%	3.4%	29
White	67.1%	5.0%	15.2%	10.7%	2.0%	1,149
Native American	60.5%	3.7%	29.6%	3.7%	2.5%	81
Ethnicity:						
Hispanic/Latino	59.7%	6.5%	22.8%	9.7%	1.2%	504
Non-Hispanic	69.8%	3.8%	13.0%	10.7%	2.7%	746
Women	59.9%	5.9%	19.1%	13.2%	1.8%	387
Total	59.6%	5.0%	21.5%	10.9%	3.0%	2,682

Source: 2012 HMDA Raw Data and CSI

Reasons for the denial of applications are listed on Table 35 by race, ethnicity, and gender. The most common reasons for denial were "debt to income ratio", "credit history" and "collateral". There were a total of 576 loan denials during

2012. Black, Asian and Hispanic households all had higher denial rates for “debt to income ratio”, “credit history” and “collateral” than for white households. Women were more likely to be denied for “credit history” than all households, and men were more likely to be denied for “collateral”. Native American households are most likely to be denied for “credit history” and “collateral”. HMDA data indicates that Black, Asian, Native American, and Hispanic households are being denied loans at a greater rate than white households in the unincorporated areas of Bernalillo County.

Table 35: Loan Denial Reason by Race, Ethnicity, and Gender Bernalillo County, 2011

	All	White	Black	Asian	Native American	Hispanic	Women	Men
Debt-to-Income Ratio	31.4%	28.2%	100.0%	75.0%	26.3%	37.5%	31.5%	19.9%
Employment History	4.1%	3.8%	0.0%	0.0%	0.0%	2.8%	3.7%	1.4%
Credit History	24.3%	22.1%	0.0%	0.0%	31.6%	26.4%	31.5%	24.3%
Collateral	16.0%	17.6%	0.0%	25.0%	21.1%	13.9%	14.8%	24.3%
Insufficient Cash	2.4%	3.8%	0.0%	0.0%	10.5%	2.8%	1.9%	2.6%
Unverifiable Information	3.0%	3.8%	0.0%	0.0%	0.0%	1.4%	1.9%	3.5%
Credit Application Incomplete	10.7%	11.5%	0.0%	0.0%	0.0%	6.9%	5.6%	12.1%
Mortgage Insurance Denied	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	8.3%	9.2%	0.0%	0.0%	10.5%	8.3%	9.3%	12.1%

Source: 2012 HMDA Raw Data and CSI

Foreclosure activity has stayed fairly stable in Bernalillo County and Albuquerque in the past few years. RealtyTrac tracks foreclosures in cities and counties, and reports that in Bernalillo County, .10% of units are in the foreclosure process in July of 2014. This is the same rate as Albuquerque, and is higher than the New Mexico rate of .05% and the national rate of .08%. RealtyTrac reports that units in Pre-foreclosure and units at auction increased from July 2013 to July 2014, while the number of bank owned properties declined. RealtyTrac estimates that in July of 2014, there were 2,863 foreclosures in Albuquerque, and that the median price of a home in the foreclosure process was \$129,389 – significantly lower than the median price of all homes on the market.

While no state agency or county office tracks foreclosure activity in Bernalillo County, the national HOPE Online hotline does track statewide foreclosure information. The United South Broadway Corporation in Albuquerque works with households in foreclosure. HOPE Online staff report that they have seen historically high foreclosure numbers in the past five years following the housing meltdown of 2007 and 2008. Foreclosure numbers have leveled off, but the agency expects that foreclosures will remain historically high in the Albuquerque area due to continued job losses and underemployment in the area.

Getting the word out about foreclosure counseling services and legal assistance, which can significantly improve the outcomes for homeowners, has been challenging, according to agency staff. The following chart shows recent foreclosure trend information collected by the HOPE Online hotline for all of New Mexico.

Table 36: Foreclosures in New Mexico

	Q1-2013	Q2-2013	Q3-2013	Q4-2013	Oct-13	Nov-13	Dec-13
Total Loan Count	191,722	187,575	183,683	180,387	180,847	181,065	179,250
60+ Day Delinquency	8,355	8,012	8,264	7,916	7,760	7,811	8,177
Delinquency Rate	4.36%	4.27%	4.50%	4.39%	4.29%	4.31%	4.56%
Delinquency Index	77	81	85	73	83	83	87
Foreclosure Starts	1,560	1,271	1,194	1,112	447	360	305
Foreclosure Sales	669	597	735	533	216	147	170
Repayment Plans	551	608	606	620	213	212	195
Proprietary							
Modification	801	615	497	382	133	123	126
HOPE™ Hotline Calls	993	952	832	736	258	238	240

Source: HOPE Online

HOUSING COST AND INCOME

A household is considered cost burdened by HUD if they pay more than 30% of their income for rent or for a mortgage payment and utilities. The following table shows the number and percent of cost burdened households in unincorporated Bernalillo County by tenure and income range. The number of cost burdened owners and renters are, as to be expected, higher in the lowest income ranges, and for renters. The majority of households earning less than \$50,000 per year are experiencing cost burden in unincorporated Bernalillo County.

Table 37: Cost Burdened Households, 2012

	Cost Burdened	Percent Cost Burdened
Owners		
Less than \$20,000	2,540	65.4%
\$20,000 to \$34,999	2,187	48.1%
\$35,000 to \$49,999	1,386	35.5%
\$50,000 to \$74,999	1,131	19.3%
\$75,000 or more	1,244	10.0%
Renters		
Less than \$20,000	1,530	95.9%
\$20,000 to \$34,999	968	61.5%
\$35,000 to \$49,999	280	28.7%
\$50,000 to \$74,999	91	9.9%
\$75,000 or more:	13	1.6%

Source: American Community Survey, CSI

There is a gap of over 2,000 units targeting renter households at 0 – 30% AMI in unincorporated Bernalillo County, according to the following analysis. Rents are higher than these households can afford, causing the gap. The gap methodology looks at the number of renter households by HUD AMI income range, the rent affordable to a household at the top of the income range, or income limit, and the number of units available to these households, using 2012 American Community Survey data. The gap is the difference between the number of households with incomes in the range, and the number of units affordable to them. The census does not provide information about which households live in what housing units. While the analysis below shows a gap only at the 0 – 30% AMI range, many higher income households live in lower rent units, in the 31 – 80% AMI range where the bulk of rental units are priced in unincorporated Bernalillo County.

Table 38: Rental Housing Gaps Analysis, 2014

% of AMI	Renter-occupied Households	Income Limit	Affordable Rent	Units Available	Gap
0 - 30% AMI	2,384	\$17,950	\$374	280	2,104
31-50 % AMI	1,437	\$29,900	\$673	2,142	None
51 - 60% AMI	482	\$34,680	\$792	1,437	None
61-80 % AMI	978	\$47,850	\$1,121	1,256	None
81-100 % AMI	467	\$57,800	\$1,370	447	20
Over 100%	1,680	>\$57,800	\$1,370	740	940

Source: CSI

Most units in unincorporated Bernalillo County have rents that are affordable to households between 31 – 80% AMI. However, households at 50% AMI will be cost burdened paying the estimated average rent and utilities in Bernalillo County of \$805. The low vacancy rate in rent restricted rental properties and long waiting lists for subsidized units and Section 8 rental assistance vouchers indicate a need for more rental units targeted to renters at 50% AMI or less.

Table 39: Rental Housing Price Gaps, 2014

	Renter Households	Income Limit	Affordable Rent	Units Available	Average Rent + Utilities	Subsidy Needed
0 - 30% AMI	2,384	\$17,950	\$449	280	\$730	\$281
31-50 % AMI	1,437	\$29,900	\$748	2,142	\$730	-\$17
51 - 60% AMI	482	\$34,680	\$792	1,437	\$730	None
61-80 % AMI	978	\$47,850	\$1,196	1,256	\$730	None
81-100 % AMI	467	\$57,800	\$1,445	447	\$730	None
Over 100%	1,680	>\$57,800	\$1,445	740	\$730	None

Source: CSI

The owner housing gap table estimates the number of renter households in each income range who may want to become homebuyers in the near future, the price affordable to households at the upper end of the income range, an estimated number of units that will be on the market in their price range during the next 12 months, and the amount of subsidy needed to help these households afford to purchase the median priced home in Bernalillo County outside Albuquerque. Households at 81% AMI and over do not need subsidy in Bernalillo County, however, those below 80% AMI do. Households at 60 – 80% AMI are the best candidates for the MFA Downpayment Assistance program, and there is inventory available for them to purchase. The table shows that households at or below 70% of the AMI need assistance purchasing a home priced at or below \$180,000. The subsidy needed for borrowers at 50% AMI is significant, and these households could be served by self-help programs such as Habitat for Humanity, but most likely not by traditional homebuyer assistance programs offering downpayment assistance. Homebuyers at 60 – 80% AMI should be able to purchase homes using first time homebuyer loan products and downpayment assistance. If homes are brought to market with prices under \$180,000, the amount of subsidy needed by those at 60 – 80% AMI will decline.

In the analysis below, the number of potential buyers was calculated using the current ownership percentage for each income range, and applying this percentage to the total number of renters in the income range.

Table 40: Owner Housing Price Gaps, 2014

	Potential Buyers	Income Limit	Affordable Price	Units Available (12 m supply)	Median Priced Home	Subsidy Needed
0 - 30% AMI	1,407	\$17,950	\$67,000	6	\$180,000	\$113,000
31-50 % AMI	1,042	\$29,900	\$111,700	16	\$180,000	\$68,300
51 - 60% AMI	482	\$34,680	\$129,400	8	\$180,000	\$50,600
61-70 % AMI	489	\$40,460	\$150,900	9	\$180,000	\$29,100
71-80 % AMI	489	\$47,850	\$178,500	131	\$180,000	\$1,500
81-100 % AMI	397	\$57,800	\$215,700	212	\$180,000	None
Over 100%	1,541	>\$57,800	>\$215,700	318	\$180,000	None
Total HH	6,068					

Source: CSI

DEVELOPMENT MARKET

The number of new single family housing units constructed in unincorporated Bernalillo County increased from 2011 – 2013, and dropped slightly from 2013 - 2014. The average value of new permits has been increasing as the housing market begins to recover. Remodel and demolition permits are also tracked by the county. The number of these permits had declined from 2011 – 2013, and increased in 2014 to the same level as 2011. Many remodel permits are for additions to existing units. There have been no permits to construct multi-family housing outside Albuquerque during this time period.

Table 41: Bernalillo County Building Permits 2011 – 2014

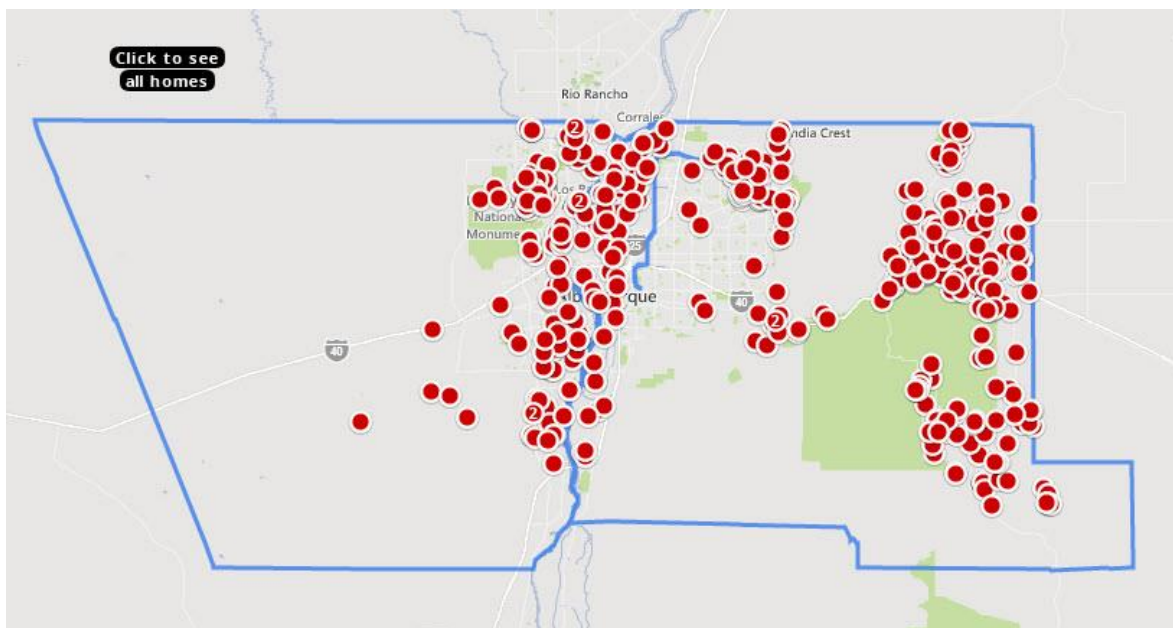
Year	Remodel Permits	Permits to demolish residence	Permits to construct new single family dwelling	Average Final Value (New)
2014	22	27	71	\$429,749
2013	11	10	78	\$342,534
2012	16	17	65	\$336,439
2011	22	15	56	\$292,065

Source: Bernalillo County

Bernalillo County planners note that there are some areas of unincorporated Bernalillo County where a lack of infrastructure is hindering development and redevelopment. The County is undertaking some significant redevelopment efforts in the south valley that will open up some potential development sites for multi-family housing units that could be used for construction of affordable rentals. Please see the Land Use section of this report for more information related to current redevelopment efforts.

The availability of single family lots for the construction of more single family homes is not an issue in Bernalillo County. A search of Zillow.com found 582 buildable lots throughout the county. Lots range in price from \$35,000 to \$250,000 for single residential homes, depending upon the size and location of the land. There are large parcels of land for sale as well, within Albuquerque and rural areas, with five or more developable acres, however, most are agricultural land with well and septic systems. . The average square foot price for raw land in unincorporated Bernalillo County was \$4.17/sf. in March of 2015. Sites with water, sewer, and which are closer to major streets and amenities have prices that range from \$8.90/sf to \$102/sf.

Figure 10: Buildable Lots for Sale in Bernalillo County, 2015



Source: Zillow Listing February 2015

III.HOUSING NEEDS ASSESSMENT

This section of the Affordable Housing Plan outlines both existing and future housing needs. The following analysis points out the need for more rental housing units in unincorporated Bernalillo County, especially for the very lowest income households at 0 – 30% AMI. Small households and elderly households have lower incomes in unincorporated Bernalillo County, and have a higher incidence of housing needs. Cost burden is an issue for many households who earn 80% or less of the area median income.

There is a price gap for renters in the 0 – 50% AMI range, and a lack of units affordable to households at 0 – 30% AMI. Those at 80% or less of the AMI who wish to become owners in Bernalillo County will need some sort of subsidy to afford the median priced home.

EXISTING NEEDS

POVERTY/COST BURDENED HOUSEHOLDS

HUD calculates cost burden by tenure, AMI level and household type by county. The following table shows the total number of cost burdened households in unincorporated Bernalillo County in 2010. The highest numbers of cost burdened household in unincorporated Bernalillo County were small related households, both owners and renters. Households at 0 – 30% AMI also have the highest incidence of cost burden of any income range for renters, while owners at 50 – 80% AMI are most likely to experience cost burden. Housing cost burden can leave households with little remaining income to pay for other necessities such as food, daycare, clothing, or medical costs.

Table 42: Cost Burden by Tenure, Income Range and Household Type, 2010

	Renter				Owner			
	0-30% AMI	30-50% AMI	50-80% AMI	Total	0-30% AMI	30-50% AMI	50-80% AMI	Total
Small Related	695	483	290	1,542	542	875	710	3,856
Large Related	105	145	65	325	78	235	250	903
Elderly	134	75	20	229	654	515	560	2,337
Other	345	225	159	739	279	299	365	1,411
Total need by income	2,045	1,319	1,583	7,510	2,330	3,340	4,559	31,585

Source: HUD CHAS Data, 2006 - 2010

There were 19,619 persons living in poverty in unincorporated Bernalillo County in 2012. The poverty rate in unincorporated Bernalillo County was 18.0%. This rate is lower than the New Mexico rate of 19.5%.

Table 43: Poverty Rate Recap, Bernalillo County, 2012

	Unincorporated Bernalillo County			New Mexico		
	Total	Below poverty level	Percent below poverty level	Total	Below poverty level	Percent below poverty level
All Persons	107,619	19,415	18.0%	2,013,777	393,139	19.5%

Source: 2008 – 2012 American Community Survey, CSI

EXISTING MARKET NEEDS

The rental market vacancy rate in September of 2014 was 5.7% throughout the Albuquerque MLS area, according to the CBRE Apartment Market Survey Summary. That rate indicates a market in equilibrium, though housing cost gaps data, cost burden data, and overcrowding data indicate a need for more income restricted rental units targeting households at 0 – 50% AMI, especially in the unincorporated areas of Bernalillo County, where little construction of new restricted rental housing has occurred.

The CBRE analysts note that a lack of suitable developable land in the study area will make development of more rental units difficult. The study estimates delivery in 2015 and beyond of smaller price restricted rental properties near downtown Albuquerque, and in southeast and southwest areas of metro Albuquerque. The opportunity for new development may arise as redevelopment along the southern border of Albuquerque begins and opens up additional parcels of developable land with infrastructure.

HUD cost burden data shows that the highest number of cost burdened renter households in Bernalillo County are small related households. The September 2014 CBRE rent survey provides vacancy data by MLS area. In the unincorporated areas of Bernalillo County, the vacancy rate was 4.95%, market equilibrium. The weighted average rent was \$756.

Table 44: Vacancies in Unincorporated Bernalillo County, September 2014

MLS Area	Total # Units	# Vacant Units	Vacancy Rate	Weighted Average SQFT	Weighted Average Rent	Rent Per SQFT
92	216	16	7.41%	918	\$712	\$0.78
110	1,092	60	5.49%	922	\$847	\$0.92
111	2,225	99	4.45%	838	\$715	\$0.85
*TOTALS	3,533	175	4.95%	869	\$756	\$0.87

Source: CBRE September Apartment Market Survey Summary, CSI

A survey of vacancies in price restricted rental properties in Albuquerque and unincorporated Bernalillo County was conducted in 2014. The survey found that family targeted properties had a vacancy rate of 4.2%, and waiting lists of 6 – 24 months each. Senior and disabled targeted restricted rentals had a vacancy rate of .2%, and waiting lists of 6 – 24 months.

The Bernalillo County Housing Department owns public housing units in unincorporated Bernalillo County, and also runs the county Section 8 rental assistance program. The following table shows the number of households on the waiting list for units by household type and by the number of bedrooms the household requests or needs. The largest waiting lists are for zero, one, and two bedroom units. Families make up the largest number of households on the waiting list, and need units with up to four bedrooms.

Table 45: Bernalillo County Housing Waiting List by Household Type and Bedroom Size, 2014

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Elderly	2	31	4	0		0
Single	25	161	7	1	0	0
Family	110	92	170	115	18	1
Disabled	5	171	32	13	1	0
Total	142	455	213	129	19	1

Source: Bernalillo County Housing Department

In unincorporated Bernalillo County, there is no indication that older, price restricted, or market rate affordable rental properties are in danger of redevelopment or sale. There are few price restricted units, and none that are not owned by the housing authority outside Albuquerque in the unincorporated areas. As rental prices rise and the number of vacant unit's declines, very low income and low income households will find it more difficult to find and afford a decent housing unit. This is especially true outside Albuquerque, where the inventory of affordable units is very small.

CONDITION OF HOUSING

While only a small percentage of units in the unincorporated areas of Bernalillo County lack complete kitchens, the census bureau estimates a total of almost 400 units in the unincorporated areas lack a complete kitchen. These units are candidates for the county-wide housing rehabilitation program operated by the Bernalillo County Housing Department.

Table 46: Tenure by Kitchen Facilities, 2012

	Unincorporated Bernalillo County
Owner occupied:	30,963
Complete kitchen facilities	30,698
Lacking complete kitchen facilities	265
Percent lacking complete kitchen facilities	0.9%
Renter occupied:	7,119
Complete kitchen facilities	7,009
Lacking complete kitchen facilities	110
Percent lacking complete kitchen facilities	1.5%
Total:	38,082

Source: US Census Bureau American Community Survey 2008 - 2012

Almost 400 units in the unincorporated areas of the county lack complete plumbing. Bernalillo County has many housing units that were built before building codes existed, and many were built without basic systems. A lack of complete indoor plumbing is a health and safety hazard.

Table 47: Lacking Complete Plumbing by Tenure, 2008 - 2012

	Unincorp. Bernalillo County
Complete plumbing facilities	37,690
Lacking complete plumbing facilities	392
Percent lacking complete plumbing	1.0%

Source: US Census Bureau American Community Survey 2008 - 2012

Bernalillo County does not track information about housing units that are suitable for rehabilitation or those in need of rehabilitation. The 2012 American Community Survey estimates the number of housing units that are occupied, and those that are vacant. The following table shows the status of vacant units in unincorporated Bernalillo County. While the census estimates an 9.1% vacancy rate overall, over 700 vacant units in the unincorporated areas of the county are used for seasonal or occasional use, and are not available for rent or for sale, and another 1,670 are "other vacant", but not on the market. Some of these units may be older, abandoned units that are unoccupied. The vacancy rate for units for sale, for rent, sold or rented, is 3.4% of all occupied and vacant for sale or rent units.

Table 48: Vacancy Status, 2013

	Unincorporated Bernalillo County	Percent
For rent	260	6.9%
Rented, not occupied	186	4.9%
For sale only	682	18.1%
Sold, not occupied	207	5.5%
For seasonal, recreational, or occasional use	771	20.4%
For migrant workers	0	0.0%
Other vacant	1,670	44.2%
Total Vacant Units	3,776	
Total Occupied Units	37,802	
Total Housing Units	41,578	
Percent Vacant	9.1%	

Source: US Census Bureau American Community Survey, 2013

Approximately 9% of owner occupied units and 15% of renter occupied units in unincorporated Bernalillo County were built before 1950. Another 37% of owner occupied units and 39% of renter occupied units were built between 1951 and 1979. Units built in or before the 1980s may be in need of rehabilitation, especially those units built over 40 or 50 years ago. Housing providers indicate that there are a significant number of older owner occupied properties that are in need of major repair and upgrades in Bernalillo County.

The Bernalillo County Housing Department Section 8 Voucher staff, and other providers for low and very low income renters, expresses a need for more affordable rental housing choices for their clients. The need for accessible units is especially great. Finding affordable units that meets HQS and is within the Fair Housing Rent limits can be challenging in the Albuquerque market. As vacancies dry up and rents rise, this problem is becoming more acute, locals report.

The New Mexico Mortgage Finance Authority requires that the need for substantial rehabilitation of Housing Rehabilitation Need be calculated using the percentage of building permits that are for substantial rehabilitation of housing units. The ratio of substantial rehabilitation permits to total permits is the percentage of total housing units in need of rehabilitation. In 2014, 8% of all building permits were for substantial rehabilitation of units. Therefore, up to 8% of all housing units in Bernalillo County, or 3,047 units, are in need of rehabilitation, of which, 2,477 are owner occupied housing units.

SPECIAL NEEDS

Providers for persons with disabilities, who often have very low fixed incomes, indicated that their clients have a very difficult time finding affordable, accessible, rental units, especially near transit options. These clients are most likely to choose to live within Albuquerque, where public transportation options are more readily available and reliable. Some providers noted that the set aside of units for persons with disabilities within LIHTC units are usually too expensive for their clients, unless the client has a Section 8 rental assistance vouchers. There are over 200 persons with disabilities on the Bernalillo County Housing Department waiting list for public housing or Section 8 vouchers.

HUD provides the following special census tabulation, or CHAS, data for counties. The following table breaks down households by tenure and by income level by disability status. These are the total number of households in Bernalillo County who have a member with each disability. It is possible for households to be counted under more than one disability category. There are more owner households with a disabled household member than renter households with a disabled household member, but renters with disabilities are concentrated in the very lowest income ranges, while many owners with disabilities have incomes higher than 80% of the area median income. It is not possible to break this information down to include just unincorporated Bernalillo County.

Table 49: Households with a Disabled Household Member by Tenure and AMI, Bernalillo County, 2011

	Total	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI	> 80% AMI
All Households					
Household member has a hearing or vision impairment	27,356	3,625	3,910	4,830	14,991
Household member has an ambulatory limitation	33,355	5,855	4,725	6,440	16,335
Household member has a cognitive limitation	23,070	4,890	3,625	4,620	9,935
Household member has a self-care or independent living limitation	24,200	4,320	3,775	5,075	11,030
Renters					
Household member has a hearing or vision impairment	7,570	1,540	1,540	1,570	2,920
Household member has an ambulatory limitation	11,465	3,775	2,100	2,495	3,095
Household member has a cognitive limitation	9,960	3,615	1,950	2,155	2,240
Household member has a self-care or independent living limitation	8,490	2,880	1,675	1,850	2,085
Owners					
Household member has a hearing or vision impairment	19,786	2,085	2,370	3,260	12,071
Household member has an ambulatory limitation	21,890	2,080	2,625	3,945	13,240
Household member has a cognitive limitation	13,110	1,275	1,675	2,465	7,695
Household member has a self-care or independent living limitation	15,710	1,440	2,100	3,225	8,945

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

HUD further breaks this data down to show those households with a Housing Problem, most often cost burden, which is the highest reported housing problem in Bernalillo County. Though there are fewer renter households with a disabled household member than owner households with a disabled household member, renters with disabled household members are much more likely to have a housing problem than owners.

Table 50: Households with a Disabled Household Member and a Housing Problem by Tenure and AMI, Bernalillo County, 2011

	Total	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI	> 80% AMI
All Households					
Household member has a hearing or vision impairment	10,071	2,850	2,465	2,070	2,686
Household member has an ambulatory limitation	13,400	4,470	2,985	3,330	2,615
Household member has a cognitive limitation	11,040	3,940	2,885	2,565	1,650
Household member has a self-care or independent living limitation	10,465	3,340	2,460	2,605	2,060
Renters					
Household member has a hearing or vision impairment	6,720	1,885	1,165	750	2,920
Household member has an ambulatory limitation	6,460	2,725	1,650	1,495	590
Household member has a cognitive limitation	6,120	2,850	1,725	1,205	340
Household member has a self-care or independent living limitation	5,095	2,200	1,275	1,110	510
Owners					
Household member has a hearing or vision impairment	3,351	965	1,300	1,320	-234
Household member has an ambulatory limitation	6,940	1,745	1,335	1,835	2,025
Household member has a cognitive limitation	4,920	1,090	1,160	1,360	1,310
Household member has a self-care or independent living limitation	5,370	1,140	1,185	1,495	1,550

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

This data underscores the need for more rental housing that is accessible and affordable to households with a disabled household member, especially those in the 0-30% and 31 – 50% AMI ranges.

Table 51: Percent of Households with a Disabled Household Member with Housing Problem, 2011

	Total
All Households	
Household member has a hearing or vision impairment	36.8%
Household member has an ambulatory limitation	40.2%
Household member has a cognitive limitation	47.9%
Household member has a self-care or independent living limitation	43.2%
Renters	
Household member has a hearing or vision impairment	88.8%
Household member has an ambulatory limitation	56.3%
Household member has a cognitive limitation	61.4%
Household member has a self-care or independent living limitation	60.0%
Owners	
Household member has a hearing or vision impairment	16.9%
Household member has an ambulatory limitation	31.7%
Household member has a cognitive limitation	37.5%
Household member has a self-care or independent living limitation	34.2%

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

Bernalillo County is projected to experience a steady increase in seniors in the next five years. In 2000, unincorporated Bernalillo County was home to 9,733 residents over the age of 65; in 2010 the senior population had grown to 14,367 residents. By 2019 this number will increase to 18,593. The annual average percent change in the senior population is expected to increase to 5.6% per year between 2014 and 2019. The estimated growth rate is slightly lower than the estimated growth rate for New Mexico.

Table 52: Senior Population (65+) Growth in Bernalillo County, 2000 to 2019

	Unincorporated Bernalillo County	Annual Percent Change	New Mexico	Annual Percent Change
2000	9,733		212,225	
2010	14,367	4.8%	272,255	2.8%
2014	14,510	0.2%	279,265	0.6%
2019	18,593	5.6%	362,890	6.0%
Percent Change 2000 - 2014	49.1%		31.6%	
Projected Change 2014 - 2019	28.1%		29.9%	

Source: New Mexico Bureau of Business and Economic Research (BBER) and CSI

The 2008-2012 American Communities Survey estimates in unincorporated Bernalillo County, 1,592 seniors over the age of 65 are living in poverty, equaling 5.4% of the total senior population. In the unincorporated county, there were 4,139 seniors with disabilities.

HUD estimates the number of senior households by income level. In unincorporated Bernalillo County, there were over 3,000 senior households with incomes at 50% or less of the AMI in 2011. These include owners and renters.

Figure 53: Senior Households by AMI Level, Unincorporated Bernalillo County, 2011

	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100%+ AMI
Household contains at least one person 62-74 years of age	814	892	1,293	874	4,223
Household contains at least one person age 75 or older	523	769	880	394	1,543
Total Senior Households	1,337	1,661	2,173	1,268	5,766

Source: HUD CHAS Data

Senior households who are cost burdened in Bernalillo County are much more likely to be owners than renters. Senior owners who are cost burdened by mortgage payments, taxes and insurance may not be able to afford necessary repairs to their homes and those earning under 80% of the AMI may need housing rehabilitation assistance. Cost burdened senior renters could use more deeply affordable rental options.

Table 54: Cost Burdened Senior Households, Unincorporated Bernalillo County, 2011

	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Cost Burden > 30%				
Renters	134	75	20	229
Owners	654	515	560	2,337
Cost Burden > 50%				
Renters	84	60	0	144
Owners	1,610	595	280	2,670

Source: HUD CHAS Data

There are a number of senior targeted rentals located in the Albuquerque area financed through tax credits, public housing dollars, the Section 8 new construction program, and HUD 202 program. There are also some price restricted assisted living facilities in Bernalillo County. As the senior population in Bernalillo County continues to grow, developers and housing agencies should expect increased demand for price restricted rentals and housing rehabilitation loans from seniors.

In unincorporated Bernalillo County in 2012, the Census bureau counted 2,780 female headed households with children. These households represent 7.3% of all households in unincorporated Bernalillo County.

Homeless and housing providers interviewed for this study report an increase in the number of homeless households in Bernalillo County seeking services, especially families with children. Households seeking homeless prevention services are also on the rise, and resources to meet the needs of these households are not adequate. Homeless providers cited a lack of affordable rental housing units, Tenant Based Rental Assistance and Section 8 rental assistance for very low income households and for those who have experienced bad credit as a need. Increases in rental prices and the reduction in vacancy rates make it hard for the lowest income households and homeless households to compete in the rental market. Waiting lists for existing affordable properties and rental assistance have been growing, with longer wait times to get assistance than in the past.

As part of the recent Consolidated Planning process, the Community Strategies Institute conducted a survey of local residents to gauge their perceptions of local issues and needs. The highest rated need in Bernalillo County was Homeless Facilities and Services. Forty-four percent (44%) of respondents said that this was the highest need in the county, while another 36% said that it was a medium need.

Homeless and housing providers interviewed for this study report an increase in the number of homeless households in Bernalillo County, especially families with children. The PIT counted 35 homeless persons in families with children in unincorporated Bernalillo County and 354 in Albuquerque. There were 170 homeless veterans counted in Albuquerque. The Bernalillo County Housing Department has an allocation of 80 VASH vouchers.

Joy Junction is the only homeless shelter located in unincorporated Bernalillo County. Joy Junction can shelter 300 persons per night, and serves an average of 60 - 80 children per night. The shelter has 87 beds. S.A.F.E. House Battered Women's shelter provides shelter and services for victims of domestic violence. The agency operates an 85 bed facility in Albuquerque, as well as transitional housing units scattered in the Albuquerque area. Clients can stay at the shelter for up to 90 days. They are offered services during this time, including supplies, laundry, legal assistance, referrals to other agencies, onsite clinical services, psychological group therapy, case management, and 24 hour staffing for safety. Safe House staff state that it is difficult to help clients become self-sufficient enough to leave in 90 days. The percentage of returning clients is growing, because of a lack of other affordable housing options, and a job market that makes finding entry level jobs very challenging. The agency turns away approximately 800 households each year because of a lack of space.

CLNKids provides shelter and services to families with children. The agency provides transitional housing, transportation support, case management, healthy food, early childhood education, job training, life skills training and self-sufficiency resources. Staff notes a lack of long term housing solutions for the families that they serve.

Enlace Comunitario is another domestic violence agency serving Bernalillo County. The agency offers transitional housing for up to 23 families at a time. The agency is able to pay rental assistance for clients through grants from the US Department of Justice and NM Mortgage Finance Authority. Clients are offered comprehensive case management services, counseling, legal services, and immigration services. Each year, the agency serves approximately 600 adult women and children. Children are also provided counseling and life skill services. Staff notes that demand for their services is on the rise, and many victims have to wait to receive services. Affordable housing units and employment are their client's biggest needs, as well as Spanish speaking staff at service agencies, more shelter beds, and better transportation options.

EXISTING HOUSING NEED CONCLUSIONS

Based on quantitative data, key stakeholder interviews, and analysis of housing trends, the following are the highest housing needs in unincorporated Bernalillo County. The population groups have the highest housing needs:

- Non-senior renter households at 50% AMI or less – mostly families and individuals within the local workforce
- Owner households at 80% AMI or less living in substandard housing units
- Renters at 60 – 80% AMI with the desire to become homeowners
- A growing senior renter population at 50% AMI or below
- Special needs and disabled renter households in need of accessible, low cost, transit oriented housing choices
- Homeless prevention services and rapid-rehousing program

Specifically, the types of housing units and programs that are needed in unincorporated Bernalillo County are:

1. **Subsidized Rental Housing for the General Population.** The housing analysis indicates the highest need for the preservation and construction of price restricted rental housing for households between 0 – 50% of the AMI in unincorporated Bernalillo County. Demand for affordable rental units by very low and low income households is far greater than the present supply. This gap is especially acute at 0 – 30% of the AMI, and while many of the rental units located in the unincorporated areas of the county are affordable to households at 31 – 50% AMI, there are few vacancies in lower priced units, according to housing agency personnel interviewed for this study, and very long waiting lists for existing price restricted units. The shortage of decent rental housing poses a cost burden for low wage households who cannot effectively compete in the housing market. No new price restricted rental units have been constructed outside Albuquerque, and there is “catch up” need to create subsidized rental opportunities for the many cost burdened renters in unincorporated Bernalillo County. New

units should be constructed outside the City limits, perhaps in the southern portion of the county, and should target small families and local employees.

The following analysis of units needed uses the total number of cost burdened households by AMI range in unincorporated Bernalillo County (US Census American Community Survey 2012), and Ribbon Demographics estimate of renter households by income range and household size in unincorporated Bernalillo County in 2015. The HUD 2014 income limits per household size were used to determine how many renter households are within each range in unincorporated Bernalillo County in 2015.

Table 55: Renter Households by Income Level, 2015

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	525	279	255	228	229	1,516
\$10,000-20,000	439	221	167	246	95	1,168
\$20,000-30,000	333	222	181	169	120	1,025
\$30,000-40,000	275	214	138	88	161	876
\$40,000-50,000	182	214	130	50	76	652
\$50,000-60,000	72	170	113	84	35	474
\$60,000-75,000	171	125	220	116	69	701
AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
30% AMI	639	376	359	424	318	2,116
50% AMI	356	211	189	218	163	1,138
60% AMI	140	106	87	53	104	491
80% AMI	258	206	146	76	102	787
Total	1,393	900	781	770	687	4,531

Source: Ribbon Demographics, CSI

The following table shows the distribution of renter households by income range and household size to estimate the total number of rent burdened households by AMI range. There are an estimated 2,786 cost burdened renters earning 80% of the AMI or below in unincorporated Bernalillo County.

Table 56: Cost Burdened Renter Households by AMI Range, 2015

Cost Burdened	1 Person	2 Person	3 Person	4 Person	5 Person	Total
0 - 30% AMI	389	230	219	272	201	1,311
31-50 % AMI	252	159	144	144	138	837
51 - 60% AMI	105	84	72	60	40	361
61-80 % AMI	60	130	47	21	18	276
Total	806	604	482	497	397	2,786

Source: CSI

The following table estimates the number of units by bedroom size needed to house these households using the following methodology. One bedroom units will have no more than two person households, two bedroom units will have no more than three person households and three bedroom units will have four or five person households. Two and three person households were distributed evenly between one bedroom and two bedroom units.

Table 57: General/Family Units Needed by Bedroom Size, Current Need

Bedrooms Needed	Cost Burdened Renter Households	1 BR	2 BR	3 BR
0 - 30% AMI	1,311	504	334	473
31-50 % AMI	837	332	224	282
51 - 60% AMI	361	148	114	100
Total Units	2,510	983	672	855

Source: CSI

There are a total of 2,510 renter households in need of an affordable housing option to meet the needs of all cost burdened renter households at 60% AMI or less in unincorporated Bernalillo County. There should be a mix of new rental assistance vouchers, acquisition and rehabilitation of existing rental properties that become price restricted, and new construction of affordable rental units.

Not all households should be served by newly constructed rental units. In order to determine a feasible number of new units to construct, without creating adverse effects on the rental market in unincorporated Bernalillo County, an analysis of absorption, penetration, and capture rate were calculated. The following analysis shows that the **addition of 120 total units constructed sometime during the next five years** will not create a negative effect on the existing market, and units can be easily absorbed by income qualified households already living in the county.

The Absorption Rate, the rate for absorbing proposed units by the number of total units needed in unincorporated Bernalillo County, is 4.8% of cost burdened households over five years, a very low rate. The Absorption Period, the period to construct and lease these units, is a total of five years for all units (not a five year construction and lease up period for one project).

Table 58: Absorption Rate

Proposed Units	120
Existing LIH Units Required	2,510
Absorption Rate	4.8%

The Penetration Rate is the percentage of income qualified households in the area that all existing units must capture to achieve stabilized occupancy. Currently, there are 124 price restricted units in the unincorporated areas of the county.

The current Penetration Rate is only 3.3% of all income qualified households in unincorporated Bernalillo County, and indicates that there is room in the market for more price restricted rental housing.

Table 59: Penetration Rate

Existing LIH Units	124
Income Eligible Households	3,745
Penetration Rate	3.3%

The Capture Rate is the percentage of income qualified renter households in the area that new units must capture to achieve a stabilized level of occupancy. In unincorporated Bernalillo County, there are 3,745 qualified households at 60% AMI or less. New units constructed during the next five years would need to capture just 3.2% of all income qualified households in the county, a very low capture rate.

Table 60: Capture Rate

Units	120
Income Eligible HHs	3,745
Capture Rate	3.2%

The impact on the vacancy rate in a market can also be calculated per year as units are absorbed in the market. Currently, there are approximately 7,565 occupied and vacant rental units in unincorporated Bernalillo County. The current vacancy rate is 4.95%. The estimated number of currently vacant units is 374. The following analysis shows that adding approximately 24 units at a time into the market (24 units added each year for five years) would only affect the market slightly as units were absorbed. This analysis shows an average number of units per year, and does not necessarily reflect a specific project or development. With a low penetration rate, capture rate, and absorption rate, new price restricted units should not take long to lease and the vacancy rate should remain stable during lease up, which typically takes 3 -4 months for most projects in the area.

Table 61: Impact of New Units on Vacancy Rate – Short Term Impact

Total Rental Units	7,565
Estimated Vacant	374
Vacancy Rate	4.95%
New Affordable Units (Year 1)	25
Vacancy Rate with all New Inventory	5.28%

Acquisition and rehabilitation of existing market rate units is another strategy for serving cost burdened households. Reducing or stabilizing existing rents in these properties can insure affordability without expanding the inventory of rental units. Currently, American Community Survey data reports that there are 668 rental units in unincorporated Bernalillo County with five or more units at the property. **A realistic five year goal for acquisition and rehabilitation is between 40 – 60 units acquired, rehabilitated and price restricted.**

Rental assistance is another tool for assisting cost burdened households. Adding rental assistance Section 8 vouchers in unincorporated Bernalillo County will also help relieve the cost burden on low and very low income renter households in unincorporated Bernalillo County. The analysis above shows that up to **2,300 renters (those not served by newly constructed or acquired units) could benefit from rental assistance that would bring housing down costs to 30% of their household income.**

2. **Homeowner Rehabilitation and Repair Program.** Much of the housing stock in the older communities within Bernalillo County is in need of rehabilitation. Fewer than 50% of all housing units in the County were built before 1980. This includes older multi-family properties and single family owner occupied housing units. There is still a strong need to continue modernizing the older housing stock. Preserving the existing housing is an economically effective way of minimizing the cost and environmental impact of new housing construction. In discussions with Bernalillo residents, several key informants observed that there is a growing number of aging homes in the unincorporated area of the County. Bernalillo County should choose to expand housing rehabilitation services in other areas of the County that have numbers of homes that are more than 40 years old.

The MFA requires an analysis of building permits to determine the number of homes that may need substantial rehabilitation. In 2014, 8% of building permits for residential structures were for rehabilitation that cost over \$25,000, which is considered substantial rehabilitation. Applying this percentage to the existing housing stock indicates that **3,047 units are in need of rehabilitation, of which, 2,477 are owner occupied housing units.**

3. **Affordable Home Ownership Opportunities.** Renters who wish to become homeowners earning less than 80% of the AMI find it challenging to afford the median priced home in Bernalillo County. Realtors and housing experts interviewed for this report did not suggest constructing new single family housing units, but homebuyers need assistance in the form of free or low cost downpayment assistance, and low interest loans, and homebuyer counseling, to make the move to homeownership, especially for those at 61 – 80% of the AMI,

and those at 81% AMI to the maximum income limits for MFA mortgage products. Newly constructed attached energy efficient units near transit will also help meet this need. The number of potential new owners is estimated by using the current homeownership rate for households earning 61 AMI through the HUD income limits, which is 79%, and applied this rate to the number of renter households within the 61 – 80% AMI range by household size. Most potential owners have one to three person households, and would need one or two bedroom units.

Table 62: Potential New Homebuyers, 61% AMI +, 2015

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
Total Non-Senior Renters 61 - 80%	258	206	146	76	102	787
81% - Max Income for MFA	466	445	384	190	86	1,570
Total Renter Households in Range	724	650	530	266	188	2,357
Potential Homebuyers	572	514	418	210	148	1,862

Source: Ribbon Demographics, US Census American Community Survey, CSI

Subsidized Senior Rental Housing. Data shows that currently, there are more cost burdened non-senior renters in Unincorporated Bernalillo County, and no price restricted units in unincorporated Bernalillo County targeted to them. However, the population of renter households age 62 and older will be growing over the next five years. Currently, according to HUD CHAS data for 2011, there are an estimated 209 cost burdened senior renters in unincorporated Bernalillo County who could use a new price restricted rental housing opportunity.

Table 63: Cost Burdened Senior Renters, 0 – 50% AMI, 2011

	0-30% AMI	31-50% AMI	Total
Renters	134	75	209

Source: HUD CHAS data

There are 669 senior renter households with incomes at 60% AMI or less in unincorporated Bernalillo County, according to Ribbon Demographics.

Table 64: Income Qualified Senior Households, 2014

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
30%	154	72	19	16	28	289
50%	188	70	13	14	22	306
60%	31	23	5	4	12	74
80%	48	64	9	7	18	146
Total	421	228	45	41	79	815

Source: Ribbon Demographics, US Census American Community Survey, CSI

Construction of an additional 20 units targeting seniors would help alleviate cost burden for senior households and serve the 669 senior renters at 60% AMI or less. The following absorption, penetration, and capture rate calculation indicate that is number of new units would benefit current residents without negatively affecting the rental housing market. Twenty new rental units would only need to absorb 9.6% of cost burdened households in unincorporated Bernalillo County.

Table 65: Senior Absorption Rate

Proposed Units	20
Existing LIH Units Required	209
Absorption Rate	9.6%

Current units serving seniors have a penetration rate of 27% of all income qualified seniors.

Table 66: Senior Penetration Rate

Existing LIH Units	220
Income Eligible Households	815
Penetration Rate	27.0%

Twenty new units would only need to capture 2.5% of income qualified renters in unincorporated Bernalillo County.

Table 67: Senior Capture Rate

Units	20
Income Eligible HHs	815
Capture Rate	2.5%

4. **Special needs and disabled renter households in need of accessible, very low cost, transit oriented housing choices.** Included in the general population estimate of cost burdened households in need of new rental housing units are those with disabilities. Providers in Bernalillo County have indicated that as the rental housing market throughout the county recovers and rents begin to rise, those on fixed incomes with the need for accessible, deeply subsidized units are being priced out of the rental market. Many of these are one person households who need one bedroom units that are accessible, and near public transportation. While in the past this has meant that new units targeting those with disabilities are located within Albuquerque, new transit oriented developments outside the city limits may provide opportunity to include accessible units targeted to households at 30% AMI, and the opportunity for partnerships between providers for persons with physical, mental, and developmental disabilities to partner with housing providers.
5. **Homeless Prevention Services and Rapid Rehousing.** Homeless prevention services are also needed in unincorporated Bernalillo County, as well as rapid re-housing options to individuals and families who are homeless. Rapid Re-housing programs quickly re-house and stabilize homeless households to provide as much stability in their lives as possible. There is a need to provide supportive services and financial assistance to individuals and households who are in danger of losing their housing. Stagnant incomes and escalating housing costs place pressure on many residents who cannot afford to meet their basic expenses for shelter and other essentials. Preventing an individual or a family from losing their current housing is more effective than trying to place the family in substitute housing. Due to a variety of challenges, however, some households cannot maintain their housing and end up on the streets, in cars or seeking assistance from service providers. The lack of an adequate supply of permanently affordable housing makes it virtually impossible for service providers to place a homeless family in decent housing in a timely manner. **In 2010, HUD CHAS data counted 1,064 renter households at 30% AMI or less that were severely cost burdened, paying 50% of their income for housing or more in unincorporated Bernalillo County.** These households are most in danger of becoming homeless. US Census data from 2012 was used to **estimate that there are 2,545 relatives living with families that are not their immediate relatives in unincorporated Bernalillo County, and 1,074 non-relatives living with family households.** These households are considered “doubled-up”, and many of the individuals who are not family members may be homeless otherwise. There is also a need for the Supportive Housing Program for persons leaving the Bernalillo County Detention Center who would be homeless and have mental health issues. The county analysis for the program estimates a need for 70 – 75 units to serve this population.

PROJECTED NEEDS

Ribbon Demographic household projections from 2015 and 2020 were used to estimate the change in households by tenure, income range, and household size in unincorporated Bernalillo County. The following tables show these forecast changes. Ribbon Demographics (using Nielson Claritas household forecasts) forecasts that there will be an increase of only 18 renter households at 80% AMI or less, and a loss of homeowners in these income ranges. Therefore, no new housing needs are projected based on population or household growth. The only change over time will be the shifting of current households in the age 62+ age range.

Table 68: Change in Renter Households by Income Range and Household Size, 2015 – 2020

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
30%	-6	-9	5	20	-12	-2
50%	3	-17	-6	-23	-5	-48
60%	0	6	0	8	0	14
80%	2	21	14	3	14	54
Total	0	0	13	9	-3	18

Source: Ribbon Demographics and CSI

Table 69: Change in Owner Households by Income Range and Household Size, 2015 – 2020

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
30%	28	-54	-18	-9	-10	-64
50%	5	-13	-4	-7	-11	-30
60%	0	7	7	-6	-12	-4
80%	7	-7	14	-15	-27	-28
Total	39	-67	-1	-38	-59	-127

Source: Ribbon Demographics and CSI

IV. LAND USE POLICY REVIEW

GENERAL PLAN

For some years Bernalillo County and the City of Albuquerque have authored a joint general plan. This approach provides consistency in planning approaches over a large land mass covering much of the Rio Grande Valley. To accommodate a wide range of topographic and land use conditions, the Comprehensive Plan has established fourteen County land use classifications. Having such a number of different classifications does add complexity to the planning and zoning process. However, the plan allows the County Planning Office and City of Albuquerque Planning Department, the ability to react sensitively to the various competing values (historic and cultural preservation, rural openness, the preservation of open space, natural landscape preservation, etc.) that are important both in the incorporated areas and the unincorporated areas of the County.

The Comprehensive Plan has a section devoted to housing considerations. The plan states that the Goal for Housing is to “increase the support of affordable housing; conserve and improve the quality of housing; ameliorate the problems of homelessness, over- crowding, and the displacement of low income residents; and assure against discrimination in the provision of housing.” The Joint Comprehensive Plan lists a number of policy options to utilize in implementing the Housing Goal. Those policy options include assessing the housing inventory to determine the quantity of housing affordable to lower income groups. Both the Albuquerque and Bernalillo County Consolidated Plans provide a Market Analysis to determine gaps in the supply. Other possible techniques include expanding resources to offer incentives for construction types of housing to meet the demand. The Plan is cognizant of the problem of displacement of low income populations that can result from redevelopment and the overall deterioration of the housing stock. The problem of housing discrimination is addressed with the following policy techniques: enforcing the City of Albuquerque Human Rights Ordinance as it applies to housing discrimination; provide information on Fair Housing practices to owners, tenants, lending institutions through organizations like the Public Interest Research Group and through housing industry trade associations.

The Joint Comprehensive Plan is presently undergoing a review and update by the City of Albuquerque and Bernalillo County. The County intends to strengthen and provide a more detailed policy statement about affordable housing and to support that policy statement with more detailed actions in support of encouraging a more diverse housing market in the future. The update process will continue through most of 2015. There is not a current timeline for completion of an updated General Plan for the two governmental entities.

THE GENERAL PLAN AND ITS APPLICABILITY TO COUNTY PLANS

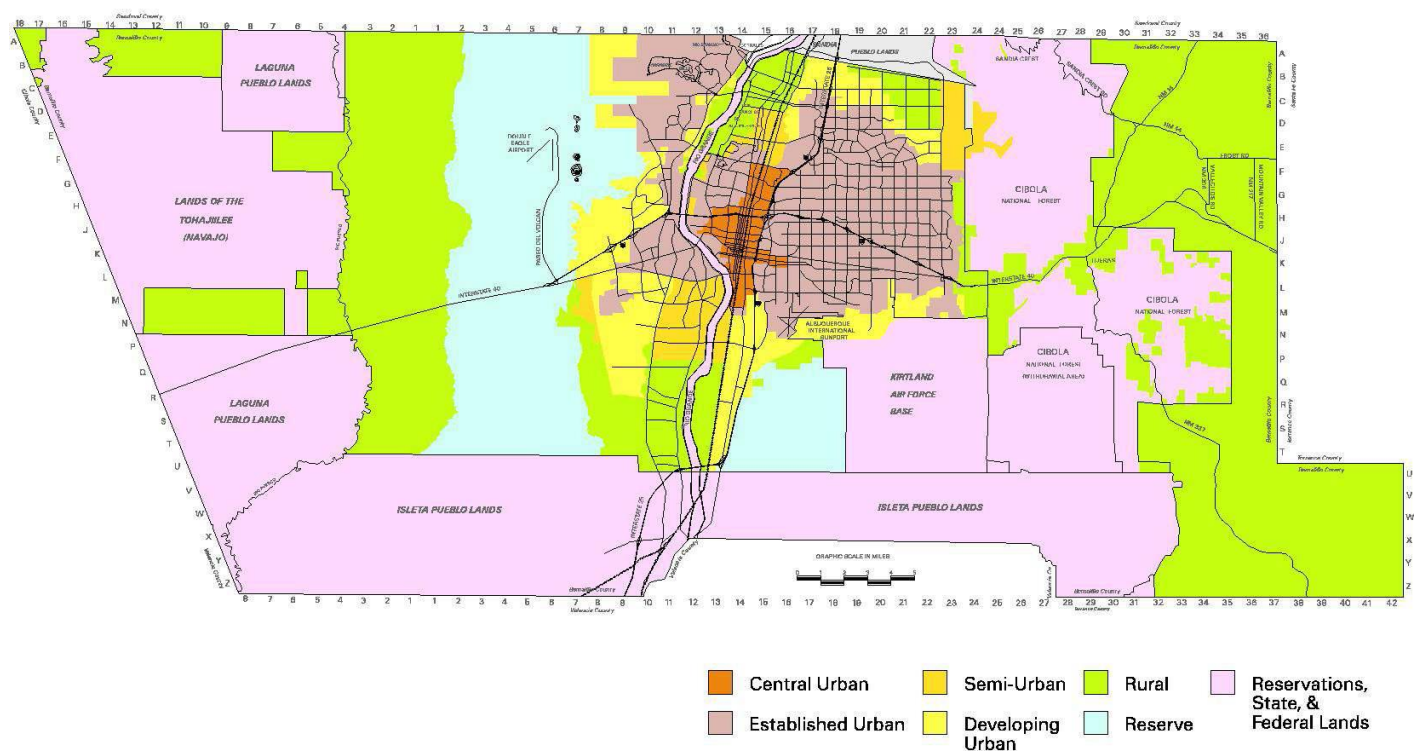
For planners, Bernalillo County represents a unique challenge. The County political boundaries encompass the largest municipality in New Mexico, Albuquerque. For a variety of reasons, the municipal boundaries of Albuquerque are somewhat irregular and in some areas of the County, there are enclaves of homes and businesses that are included in the City boundaries and not in the County. It is difficult to make generalized conclusions about some of the unincorporated areas of the County, because there are out holdings (small parcels that were in the County) that have been annexed into the City. Another facet of the planning challenges facing the County is due to the fact that the unincorporated areas extend over a large area and there are distinct differences in the land use and social organization in different areas of that large unincorporated area.

From a policy perspective, Bernalillo County has established the Albuquerque/Bernalillo County Comprehensive Plan as a “rank one plan”. This designation means that all other plans, whether they are area or facility plans must conform to the general provisions of the Comprehensive Plan. Sector development and neighborhood and corridor plans are designated as rank two and three plans and must be compatible with the higher ranking plans. The coming changes to the Comprehensive Plan will have an impact on those more local plans and changes that are adopted in the Comprehensive Plan most likely will result in changes to the lower ranking plans.

The County and City of Albuquerque have jointly established areas of development. These designations follow through to Bernalillo County zoning districts and in general help define the desired densities and development patterns desired in different areas of both the unincorporated areas of the County and the City of Albuquerque. The map below describes how the different development areas are situated within various unincorporated areas of the County.

FIGURE 31

DEVELOPMENT AREAS



Source: Bernalillo County, City of Albuquerque Joint Comprehensive Plan, 2008

GENERAL ANALYSIS OF LAND USE PARCELS INCLUDING ZONING, SIZE AND EXISTING USE, ENVIRONMENTAL CONSTRAINTS, AVAILABILITY OF INFRASTRUCTURE

Development Area Designation and Desired Housing Densities

One aspect of the designation of a development area is to inform the zoning policies on what densities will be permitted in each designated area. A key component for housing affordability and future development densities contribute to the overall availability of land for residential uses. The following classifications are contained in the Comprehensive Plan. Targeted housing densities are indicated for each classification.

Comprehensive Plan Classification	Targeted Housing Densities
OPEN SPACE	None described
RESERVE AREA	Not to exceed 3 dwellings per acre
RURAL AREA	One dwelling per acre a /Master Planned community may have up to three dwellings
SEMI-URBAN AREA	Three dwellings per acre
URBAN AREA CONCEPT	Up to 5 dwellings per acre
REDEVELOPMENT	Up to 5 dwellings per acre
ACTIVITY CENTERS CONCEPT	12 dwelling units or greater per acre based on sub-area plans

Corridors Connecting Activity Centers

The Corridors delineate a framework for the growth of Albuquerque and Bernalillo County which will protect the area's environmental, economic, social and fiscal resources. Widely supported by the public in a 2001 series of community gatherings, focus groups and stakeholder meetings, the concept seeks to change the patterns of growth and transportation service in a manner that allows transit, bicycle, and pedestrian travel to provide an increasing percentage of the transportation needs and create centers of community and regional activity. The auto has been the primary form of transportation in the area, and auto service levels affect the economic vitality of the city. The Plan's Activity Centers and Corridors policy concept would balance auto needs with increasing efforts to shift to other modes, reduce trip lengths, and reduce auto trip making. Specific to this vision is encouraging more compact mixed-use development along transportation corridors and in specified Activity Centers. An additional objective is to promote transit by increasing transit ridership through denser development.

The Centers and Corridors planning concept drives much of the planning and development activity that the public sector promotes both at the County level and Municipal level. Because many sectors of Bernalillo County, represent transitional land uses from rural to more urban, the County has concentrated on forming its planning and zoning regulations to be consistent with the Comprehensive Plan concepts listed above. The next section of the Land Use and Policy Review will provide greater detail on some of the important aspects of the County regulations as they impact the need for affordable housing.

County Zoning and Subdivision Regulations and Their Impact on Affordable Housing

The joint City/County Comprehensive Plan lays out a broad vision for development in Bernalillo County. The County has aligned its County specific zoning regulations with the comprehensive plan. Because there are diverse topographic and land use features across the County, the County government has adopted a fairly complex zoning classification system. There are presently 14 zones which are named below:

A-1 Rural Agricultural—1-Acre Minimum Zone
A-2 Rural Agricultural—2-Acre Minimum Zone
C-1 Neighborhood Commercial Zone
C-2 Community Commercial Zone
C-LI Commercial Light Industrial Zone

C-N Community Neighborhood Commercial Zone
M-1 Light Manufacturing Zone
M-2 Heavy Manufacturing Zone
M-H Mobile Home & Single Family Residential Zone
O-1 Office & Institutional Zone
R-1 Single Family Residential Zone
R-2 Apartment Zone
Overlay Zone
SD Sector Development Zone

Summary of Zoning Classifications by Acreage in Bernalillo County

Zoning Code	Number of Parcels	Total Acres	Percent of Zoned Land
A-1	1096	140842.0095	43.333441%
A-2	296	167012.3018	51.385363%
C-1	364	948.1216216	0.291712%
C-2	12	17.30063152	0.005323%
C-LI	10	222.3317937	0.068406%
C-N	36	42.32157542	0.013021%
M-1	107	3081.488628	0.948094%
M-2	58	1673.64532	0.514937%
M-H	421	4130.939154	1.270983%
O-1	4	7.268446348	0.002236%
R-1	1014	6456.852932	1.986607%
R-2	63	148.7877817	0.045778%
SD-HC	1	3.545325287	0.001091%
SD-IMU	6	9.533097903	0.002933%
SD-IVC	66	229.4850602	0.070607%
SD-LC-1	1	2.573774935	0.000792%
SD-LC-2	1	7.391107729	0.002274%
SD-LDA-1	17	124.799447	0.038398%
SD-LDR-1	3	12.31711189	0.003790%
SD-MDR-2	1	5.986056841	0.001842%
SD-N14RC	1	2.173197026	0.000669%
SD-RO	4	38.04150312	0.011704%
total acres		325019.2148	100.000000%

The Summary of Zoning Classifications chart shows that the vast bulk of the land in Bernalillo County is zoned Agricultural (A-1, A-2). Over 94% of the land is in the agricultural use classifications. The amount of land zoned for primarily residential uses totals 3.3 % of the land in the County. The R1 Zone accounts for slightly under 2% (6,456 acres) of the land. The R2 classification which allows apartments represents less than 0.5% (149 acres) of the land. The M-H Zone contains 4,130 acres which represents slightly over 1% of the land. Within some of the Sector Development Plan Zones, there are some other parcels that could be available for both detached and attached housing based upon development plans submitted for specific parcels. In both the Sunport and Isleta Development Plans, attached housing and cluster housing are listed as desired products in those subareas. The Bridge Boulevard Corridor Redevelopment Plan articulates a desire for multi-family housing as well as a revitalization of the single family housing parcels along the Bridge Boulevard Corridor.

Census Data for Unincorporated Bernalillo County also reflects the lack of density in most areas of the County. The average density enumerated in the 2010 Census is .89 persons per acre. Dwellings have a density of .38 dwellings per acre. Census Tracts 23 and 27 cover portions of the Bridge Boulevard Corridor area. While these Census Tracts abut Albuquerque, the densities are still low. Tract 23 has 6.76 persons per acre with a dwelling density of 2.49 dwellings per

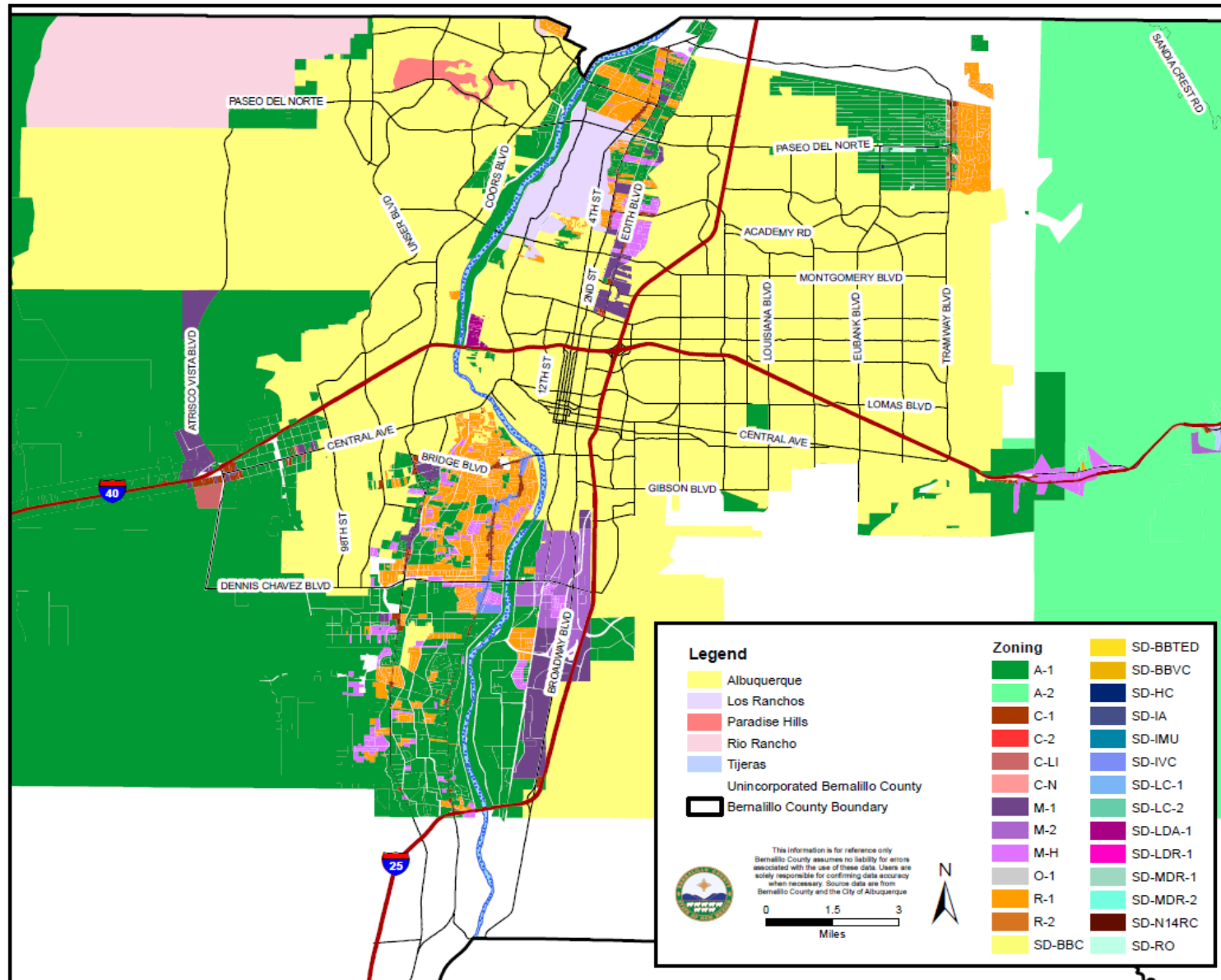
acre. Tract 27 contains 4.8 persons per acre with a dwelling density of 2.8 per acre. These densities are low compared to other developing urban area or urban areas and reflect the impact that the zoning code can have on densities. It is challenging to provide the needed government and commercial services when densities are so low that users of services can't support the cost of providing them either for government or a business.

Community members perceive that it is difficult to develop multifamily housing because there are few feasible parcels that have the necessary R-2 zoning. Both County Planning staff and for profit and non-profit developers indicate that it would be very challenging to obtain a zoning change on a parcel that would be used for multi-family development. In order to address the identified gaps in affordable rental housing, the County has explored ways that more land can be allocated for multi-family housing.

The R-1 residential classification also represents challenges to the supply of lower priced homes that could be purchased by workforce families. There are approximately 1,000 parcels in the unincorporated County which equates to nearly 6,500 acres. Averaging the number of parcels by the acres covered, the calculation indicates that an average parcel size is around 6 acres. Given current land prices in the community, most workforce households would not be able to afford the land cost on an average sized R-1 parcel.

The County Zoning map on the following page provides a graphic representation of the relative size of the various zoned parcels. There are very few parcels which show as the copper color of the R-2 Zone. Much of the land along the Bridge Boulevard Corridor is zoned in the R-1 category. Because the area is denser and does have many smaller parcels used for residential, there is a greater likelihood that in conjunction with the redevelopment activities underway along the corridor, denser single family housing could be approved under the Redevelopment Plan. There are some parcels zoned M-H in the South Valley which also could accommodate more dense single family development for both manufactured housing and site built units. By assembling some of the smaller, non-conforming R-1 parcels in the Bridge Corridor, it would be possible to achieve some greater densities. By combining 2 or 3 parcels, a density of 8 lots to the acre could be achieved.

Bernalillo County Zoning Classification Map



Bernalillo County Affordable Housing Plan Study: Zoning

Many of the zones are not intended for residential uses and the analysis of the permitted uses will focus on zones that are primarily intended for residential use.

Zone	Purpose	Permitted & Conditional Residential Uses	Minimum Lot Size	Required Setbacks	Maximum Height	Units per Lot
R-1	Single family homes	Residential and associated uses, conditional ADU	¾ acre 60 feet width*	20 feet front 14 feet aggregate side yard 15 feet rear yard	26 feet	1
R-2	Permit a higher density of population than in one family but still maintain a residential environment	Uses permitted in R-1 Apartments, Multiple Single Family dwellings, townhouses. Conditional: Fraternity, Sorority, Boardinghouse	¼ acre 60 feet width 1/8 acre per townhouse unit 24 feet width	20 feet front 14 feet aggregate side yard 15 feet rear yard Townhomes: 10 feet front yard, five feet side yard	26 feet Up to 35 feet with bulk plane clearance	FAR=.50* 1
M-H	Allow development of subdivisions or groups of contiguous parcels of five acres for manufactured homes(40 feet minimum) and single family homes on individual lots	Residential and associated uses, conditional ADU	¾ acre or 8,000 S.F. in Dev - eloping, Established or Central Urban or 14,520 Semi-Urban Area of County	20 feet front 15 feet side yards 15 feet rear yard	26 feet	1

Zone	Purpose	Permitted & Conditional Residential Uses	Minimum Lot Size	Required Setbacks	Maximum Height	Units per Lot
O-1	Provide suitable sites for Institutional uses- Group Homes	Residential including group homes	¾ acre 60 feet width	30 feet front 14 feet aggregate side yard 15 feet rear yard	26 feet Up to 35 feet with Bulk Plane Clearance	1
SUP	Provide sites for manufactured home parks through special use permit	Manufactured home parks that comply with Sect. 18 part 17 zoning requirements	40 feet wide per unit 10 acre minimum lot size for park	25 feet from right of way line 20 feet side to side and back to back	No stated maximum	14 units per acre not including driveways and open space

*lot size may be reduced to 8,000 s.f. (4 per acre) if the parcel is located in the Developing, Established, Central Urban or Semi-urban zones in the Bernalillo County Comprehensive Plan.

* FAR-floor area ratio cannot exceed 50% of lot size

Sub-area Plans Increase Opportunities for New Housing Development

The Sector Development Plans and other specific area plans provide more flexibility in development requirements and because there has been intense planning effort invested in the subareas, they represent some of the stronger opportunity locations for new development, particularly for multi-family housing. As new sub-area plans are developed, the County has the opportunity to modify certain long standing requirements in order to accommodate the changes in land use that the County is experiencing.

These plans are similar to neighborhood plans. Depending on the sub-area in question, they represent a more specific description of envisioned land uses and development objectives than is contained in the County-wide zoning classifications. For instance the Isleta Boulevard Sector Development Plan allows some residential uses that wouldn't be allowed in the predominant zoning classifications for the area. Mixed use buildings including commercial and residential, would be allowed in the Isleta Boulevard Village Center Plan. Also with a Conditional Use Permit, freestanding apartments or townhomes could be constructed in the area covered by the plan. Those developments would still be required to meet most of the other requirements of the County Zoning Classification system however; buildings in excess of 26 feet in height could be erected provided they can meet bulk plane clearance requirements.

The Bridge Boulevard Corridor Redevelopment Plan also incorporates many of the consensus ideas that evolved from the Bridge Boulevard Redevelopment Challenge Grant project that was recently completed. Outside of the adopted Sector Plans which also envision some redevelopment and change of land uses, the overall density level is low in the unincorporated areas of the County. Both the County zoning map and the detail map of the Bridge Boulevard Redevelopment District indicate that there are presently, few parcels that would allow apartments as a use by right.

Land uses along the Bridge Boulevard Corridor range from small scale commercial to single family residential to light industrial operations. The 2012 Bridge Boulevard Corridor Redevelopment Plan-Zoning Report states that the “prevalence of A-1 and R-1 zoning (agricultural and S.F. residential), underscores the fact that zoning along the corridor has not been revised for decades.”(p.7).

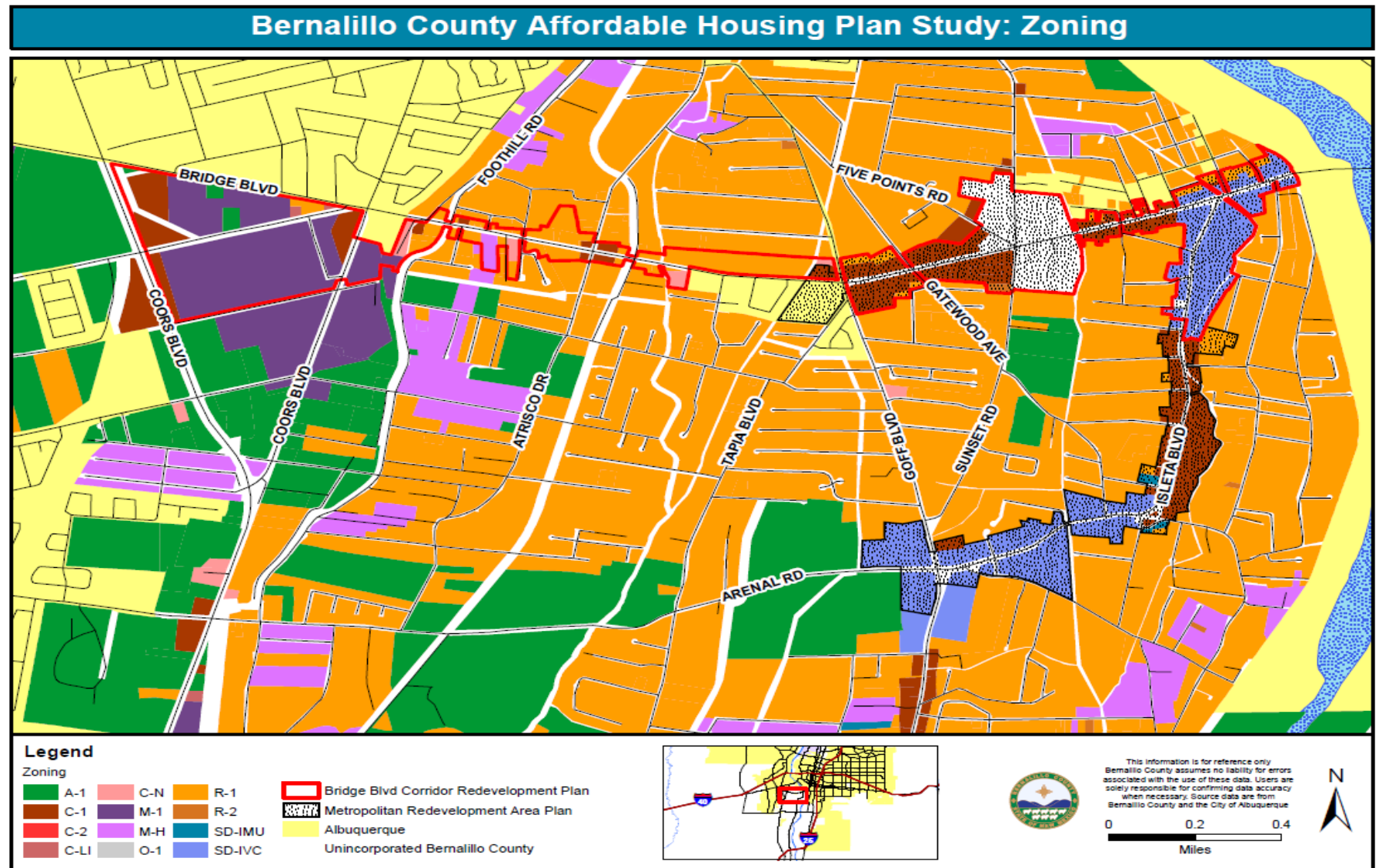
As part of the planning involved in the Bridge Boulevard Corridor Redevelopment Plan, the County has made some changes to the historic zoning. These changes will provide greater opportunities for the inclusion of denser housing in the redevelopment plans for some of the Activity and Commercial Centers outlined in the plan. The Plan includes a 4.1 acre parcel that is zoned in the R-2 classification. Local planning officials believe that the most ideal location for affordable apartments is at the Five Points Commercial District. Presently a suitable parcel is for sale in this district. This photo below shows the existing improvements which would need to be demolished for a new development.



Some sections of the Bridge Boulevard Corridor Plan are included in the Metropolitan Redevelopment Area. The County plans to utilize some of the tools available to the Redevelopment Authority to assist in financing the infrastructure needs for the parcels included in the Redevelopment Area. The map on the following page provides a more detailed description of the boundaries of the Bridge Boulevard Corridor Plan and the land uses that are permitted along the corridor and on the surrounding parcels. The map also identifies the areas of the Corridor Redevelopment Plan that are included in the South Valley Metropolitan Redevelopment Area under the jurisdiction of the Metro Redevelopment Authority.

The Bridge Corridor Redevelopment Plan as adopted by the County Commission permits uses of up to 50 units per acre. The Redevelopment Authority which administers the Redevelopment Area does not presently own land that could be donated to redevelopment plans.

Bridge Boulevard Corridor Redevelopment Zoning Classifications



In addition to the potential for multi-family affordable rental development at Isleta and Five Points, the Second Street at Rio Bravo TOD site also presents opportunities. The County has adopted a Bernco-Sunport Development Plan. This plan was formulated to enhance the areas surrounding the Rail Runner Sunport International Airport transit stop. The plan enumerates the desire to include a variety of housing types. “Higher-density and multi-family residential types would be located closer to the station, and could transition to townhomes and small lot single-family types in locations adjacent to existing residential uses, still reflecting more transit-supportive densities but with a more traditional single-family neighborhood feel.” This variety of housing types would be accommodated by modifications to the present zoning classifications to reduce some of the limitations the present land use code presents for both multifamily and semi-detached residences.

Changes to the County zoning and building regulations have been adopted for the Rio Bravo TOD plan. The modifications provide useful changes to some of the more archaic provisions of the County-wide zoning regulations. Land densities are increased to up to 60 units per acre. The floor area ratio has been increased to 2.0. Parking requirements have been loosened to the extent that instead of requiring two spaces for all multi-family units, they will be based on the size of the unit: 2 spaces for units with 3 or more bedrooms, 1.5 spaces for units with 2 bedrooms, 1 space for units with one bedroom or studio units. Other changes have been made to the setback requirements.

Except as provided in the Supplementary Height and Area Regulations section of the Bernalillo County Zoning Code, there is no minimum required front-yard setback. If a front yard is provided, it should not exceed 15 feet in depth and shall be landscaped in accordance with section F of the Zoning Code. Side Yard: There is no required side-yard setback. Rear Yard: There shall be a rear yard of not less than 5 feet.

The Bernco-Sunport TOD Plan represents multiple opportunities for denser development which should facilitate affordability. There will be opportunities for affordable rental and affordable attached homeownership units. Another strategic advantage to the location is that several owners control large parcels of land. Those owners participated in the community process leading to the adoption of the plan. They are supportive of the development effort and providing that their expectations of value can be met, an adequate supply of land should be available to implement the plan.

The Las Estancias Activity Center commercial development at Coors Boulevard and Rio Bravo will contribute over 1,000 jobs to the Bernalillo County economy. The project is currently focusing on commercial development but long term plans are to include housing within the master planned project. There also are several large parcels adjacent to the activity center (Anderson Ranch) that could accommodate a variety of housing types. This location has public transit access and is within walking distance to a range of job classes. The County does not presently own or control any land in the redevelopment areas. All of the properties that are under consideration are privately owned.

NORTH VALLEY/NORTHWEST

While much of the visible urban growth is heading south out of Albuquerque in to the South Valley, there are several opportunities to expand the affordable housing options in the North Valley area of the County. Some local key informants rate the North Valley as the more desirable area for residential development. The Rail Runner commuter line provides efficient public mass transit to several of the communities lying between Albuquerque and Santa Fe to the North. The Rail Runner forms the spine of a mass transit system that is supplemented by Bus Rapid Transit routes. The connector transit extensions provide efficient access to the Rail Runner line. The Los Ranchos Rail Runner station is

situated near 2nd Street, NW and Paseo del Norte. At this location, there are several large parcels of land that are vacant and could be used for a variety of housing types, including more affordable attached apartments and condominiums. There presently are multi-family units north of the Rail Runner station. A challenge for this development area is that there is no Station Area Plan completed and that much of the open land surrounding the transit improvements is zoned Agricultural. Key informants voiced the perception that it would be challenging to add attached housing in this area because of the low density land uses that prevail in the area.

For new attached development to occur in the North Valley areas adjacent to the transit station, a Station Area Plan would need to be completed that would echo the more innovative land use orientation of the Bernalillo/Sunport Station Area Plan. Key informants expressed the belief that it would be a hard sell to gain neighborhood support for denser land uses than what is allowed under the agricultural land use designations unless a vision of denser land uses could be incorporated in a holistic plan for fully realizing the potential of the Rail Runner Station at Los Ranchos.

Another Rail Runner Station at 2nd Street and Montañito provides possibilities for affordable housing development. The contiguous areas to the transit station are primarily light industrial in land use. However, there are several large undeveloped parcels that could accommodate more diverse housing. There is no Station Area Plan for this location and without a holistic vision of how surrounding land uses could complement the transit station; it will be difficult to recruit adjoining land owner support for zoning changes to accommodate housing close to the transit station.

A longer term opportunity area is the Paradise Hills/Unser Boulevard neighborhood. Unser Boulevard is slated as a Bus Rapid Transit route. There are parcels of undeveloped land that with accommodating zoning could be feasible locations to build for sale housing and attached multi-family rentals. However, the County would have to create an overlay zone or reconfigure the general zoning scheme for the area. It would be difficult for a developer to obtain the necessary neighborhood support to successfully file a zoning change with the County.

Subdivision Regulations for Unincorporated Bernalillo County

The County utilizes a tiered subdivision ordinance that places more complex requirements on larger subdivisions. Following is the categorization of different types of subdivisions:

SUBDIVISION TYPES:

TYPE 1: five hundred (500) or more parcels any one of which is less than ten (10) acres in size.

TYPE 2: between twenty-five (25) and four hundred ninety-nine (499) parcels, any one of which is less than ten (10) acres in size.

TYPE 3: twenty-four (24) or less parcels, any one which is less than ten (10) acres in size.

TYPE 4: twenty-five (25) or more parcels, each of which is ten (10) acres or more in size.

TYPE 5: no more than twenty-four (24) parcels, each of which is ten (10) acres or more in size.

This categorization is intended to provide more thorough and comprehensive reviews for subdivision applications which will have a greater impact on the surrounding areas including environmental, traffic, public safety, adjoining properties. Generally, the County subdivision regulations acknowledge the Comprehensive Plan and the Zoning Code as the overarching regulations for the size of individual parcels within a new subdivision. The application process is basically a two step process. A Sketch Plan

and then a Final Plat is required. In most cases the County Development Review Authority (CDRA) will be the approving authority as has been delegated by the County Commissioners. The information below describes the process for larger subdivisions that entail a greater number of lots.

Sketch plats shall be submitted and approved prior to the submission of a preliminary or final plat. All submittals for sketch plats shall be to the CDRA. Sketch plats shall include the following minimum information:

- (1) Completed application form.
- (2) The appropriate number of copies as determined by the CDRA Chair of the proposed subdivision/platting action (folded to approximately eight and one-half inches × 11 inches).
- (3) Drawing of the proposed division of land done to scale and including a north indicator.
- (4) Statement of declaration (i.e. Purpose of plat).
- (5) Legal description of the property.
- (6) Authorization by the owner of the property (i.e. Free consent statement signed and notarized).
- (7) Diagram showing existing development with all pertinent existing systems and structures.
- (8) Proposed access to the site (easement width and name of roadway).
- (9) Designated line for the case number (i.e. SRP or SC).
- (10) Proposed lot sizes (gross and net acreage).
- (11) Surveyor certification (signed).
- (12) Signature lines provided as follows: County Development Review Authority Chair, Bernalillo County Commissioners Chair, Bernalillo County Zoning, Bernalillo County Public Works, Bernalillo County Environmental Health, Bernalillo County Fire Marshall's Office, appropriate utilities and any other County departments or agencies may be deemed necessary by the CDRA Chair.
- (13) Zone atlas page showing the subject property clearly marked.
- (14) Draft disclosure statement.
- (15) Additional information. Additional information includes any other information which may be helpful in determining the feasibility of subdividing the tract or that which may require additional review by the CDRA such as, but not limited to, the following:
 - (1) Water quantity information;
 - (2) Water quality data;
 - (3) City/county water authority water and sewer availability statement;
 - (4) Wastewater plan;
 - (5) Proposed solid waste management;

Map specifications. The final plat map shall include the following information:

- (1) Name of subdivision, scale, north arrow, and date;
- (2) Permanent monuments, or descriptions and ties to such monuments to which all dimensions, angles, bearings, and similar data on the plat shall be referred;
- (3) Tract boundary lines, easement and right-of-way lines, and property lines of residential lots and other sites, with accurate dimensions, bearings or deflection angles, and radii, arcs, and central angles of all curves;
- (4) Accurate description of legal access to roads and utility easements for each parcel, and if the access or easement is based upon an agreement, the recording data in the land records for the agreement;
- (5) Name, right-of-way width, and centerline date of each road or other right-of-way; proposed location of centerline monuments for streets within the subdivision;
- (6) Location, dimensions, and purpose of all easements and dedicated public sites including parks, open space and trails;

- (7) Number of each parcel in progression, with its dimensions, and the dimensions of all land dedicated for public use or for the use of the owners of parcels fronting on or contiguous to the land;
- (8) Names of owners of contiguous unplatted land;
- (9) Delineation of any one hundred-year flood plain as designated by the Federal Emergency

Management Agency;

- (10) The names of the owner(s) of the subdivision, and the developer if other than the owner(s);
- (11) The certification of a surveyor registered in New Mexico attesting to the accuracy of the plat, and the date of the survey; and
- (12) Legal description indicating the range, township, and section within which the subdivision is located.
- (13) Delineation of any parks, open space or trails right-of-way or easement.

Smaller subdivisions can utilize a summary review process that is streamlined and entails fewer details and requirements. The summary review process for type 3 and 5 subdivisions include the following steps:

Sketch plats shall be required prior to the submittal of a final plat for approval. All submittals for the subdivision requests shall be submitted to the CDRA. Sketch plat submittal shall include the following:

- (1) Completed application form; and
- (2) Number of copies as required by CDRA of the proposed subdivision folded to approximately eight and one-half inches by 11 inches;
- (3) Drawing of the proposed division of land done to scale and including a north indicator;
- (4) Statement of declaration (i.e. purpose of the plat);
- (5) Legal description of property;
- (6) Authorization by the owner(s) of the property (i.e. free consent statement signed and notarized);
- (7) Diagram showing existing development with all pertinent systems and structures;
- (8) Proposed access to the site (easement width and name of roadway);
- (9) Designated line for the case number (i.e. SRP or SC);
- (10) Proposed lot sizes (gross and net acreage);
- (11) Surveyor certification (signed and notarized);
- (12) Signature lines should be provided as follows: County development review authority chair, Bernalillo County Zoning, Bernalillo County Environmental Health, Bernalillo County Fire Marshall's Office, Bernalillo County Public Works Division, appropriate utilities, and any other county departments may be deemed necessary by the CDRA chair.
- (13) Zone atlas page showing the subject property clearly marked;
- (14) Disclosure statement (signed and notarized)
- (15) City/county water authority water and sewer availability statement.
- (16) All subdivision of land shall be done in accordance with the Albuquerque/Bernalillo County Comprehensive Plan, the applicable area plan(s), master plans, sector/neighborhood/corridor plan(s), facility plans and design overlay zone(s).

The final plat approval requires the following steps: All final plats shall be submitted for approval to the CDRA. Final plats shall conform with the surveying standards as required by this chapter and all other regulations as they may apply.

Prior to submitting for final plat, the subdivider shall furnish the following documentation:

- (1) **Action.** The subdivider shall have 30 days to complete the platting action when CDRA considers the subdivider's application, which includes a notice of decision for sketch plat approval at the public meeting. CDRA shall review the application for conformance with this chapter and the Albuquerque/Bernalillo County Comprehensive Plan, the applicable area plan(s), master plans, sector/neighborhood/corridor plan(s), facility plan(s) and design overlay zone(s). If there are deficiencies in this submittal, the subdivider shall have 30 days from the CDRA meeting to obtain signatures from the remaining county agencies and complete the platting action. Upon approval of a final plat the subdivider shall record the plat in the office of the county clerk within 12 months of plat approval or the approval will become void and a new plat will have to be submitted for approval.
- (2) **Property taxes.** A certificate from the county treasurer's office which indicates that all property tax obligations on the land to be divided are currently paid and that the property is assessed on the rolls of the county assessor's office in the name of the current owner(s).
- (3) **Assessment of impact fees.** Impact fees shall be assessed pursuant to the Bernalillo County Impact Fees Ordinance.
- (4) **Disclosure statement required.** For all final plats, a disclosure statement shall be prepared in accordance with the standardized format provided in Article VII of this chapter. It is unlawful to sell, lease, or otherwise convey land in a subdivision until the required disclosure statement has been filed with the office of the county clerk; and the prospective purchaser, lessee or other person acquiring an interest in the subdivided land has been given a copy of the disclosure statement by the subdivider.
- (5) **Improvements agreement** as described in [section 74-42\(c\)](#).
- (6) **Drawing exchange file** as described in [section 74-43\(c\)](#).

For smaller subdivisions, these requirements are much less onerous and provide an efficient way to create smaller subdivisions without an extended review process. But smaller subdivisions also must conform to the Comprehensive Plan unless there are sector plans or other sub area plans that provide for different land densities if the property owner wishes to apply different standards in the rezoning or subdivision request.

Private Roads and onsite access to individual parcels must meet County Public Works standards. There is some flexibility in how those standards are applied but there is no regulatory relief for building narrower road right of ways or methods that may be less costly to sub-dividers. Bernalillo County onsite parking requirements of two spaces per dwelling are typical for most communities. A general review of Bernalillo Public Works road and appurtenant standards indicates that the County uses fairly typical standards. There is no provision for waivers to some of the standards for affordable housing. However, the biggest single aspect of the subdivision standards that adds to housing cost is the minimum lot size requirements. Unless a sub-divider is willing to file an application asking for a zoning change to a planned community development or conditional use, the housing densities listed in the County Comprehensive Plan and the Zoning Code will have to be adhered to. Some Sector and Redevelopment Plans have created the opportunity for land owners to file for a zoning change under those plans. This technique in the targeted areas will create new opportunities for denser development.

Many key informants listed land use density as a barrier to new affordable development because developers are not willing to subject their projects to the potential costs involved in a protracted rezoning process to bring smaller less costly improved lots to the market. However, there are several new approved subdivisions that are permitted for smaller lots. However, those subdivisions have not actually been completed to the point where smaller improved lots can be offered for sale to builders.

Another component of the impact on housing affordability has to do with the fees charged by government in order to permit new, denser subdivisions. There are two components to the fee structure. There are fees associated with the actual application and administration of the subdivision review process and there are impact fees charged on new lots for connection and use of community facilities and utilities. In addition, the County charges building permit fees based on the standards promulgated in the 2012 International Building Code. The Fees below represent the fees currently charged by the County.

Bernalillo County Subdivision Review Fee Schedule

Action	Amount
Sketch plat	\$25.00
Preliminary plat	\$250.00
Plus, per lot	\$10.00
Final plat	\$200.00
Summary review plat	\$100.00
Plus, per lot	\$10.00

The fees for the administrative review of subdivision applications are not onerous. If a landowner requested a subdivision that fell under the summary review criterion, for five lots the total cost of the review application would be \$150.00. For other subdivisions larger than 5 units, review of the final plat would cost \$200.00 more, plus the preliminary plat fee and per unit fee.

Changing Zoning and Fees

The Bernalillo County Zoning Code has provisions for changes to zoning classifications for parcels of property. The County has provided processes for changing the zoning classification but also maintains detailed criteria for approval of any zoning changes. Below are listed the policy considerations the County makes in evaluating a change in the zone map:

“Section 1. [Adoption of policies for Zone Map changes and Special Use Permit applications] The following policies for deciding zone map changes and Special Use Permit applications pursuant to the Comprehensive County Zoning Code are hereby adopted:

- A. A proposed land use change must be found to be consistent with the health, safety, and general welfare of the residents of the County.
- B. The cost of land or other economic considerations pertaining to the applicant shall not be the determining factor for a land use change.
- C. A proposed land use change shall not be in significant conflict with adopted elements of the Comprehensive Plan or other Master Plans and amendments thereto including privately developed area plans which have been adopted by the County.
- D. Stability of land use and zoning is desirable; therefore, the applicant must provide a sound justification for land use change. The burden is on the applicant to show why the change should be made.
- E. The applicant must demonstrate that the existing zoning is inappropriate because: (1) there was an error when the existing zone map pattern was created; or (2) changed neighborhood or community conditions justify the land use change; or (3) a different use category is more advantageous to the community, as articulated in the Comprehensive Plan or other County Master Plan, even though (1) or (2) above do not apply.

F. A land use change of zone shall not be approved where some of the permissive uses in the land use change would be harmful to adjacent property, the neighborhood or the community.

G. A proposed land use change which, to be utilized through land development, requires major and un-programmed capital expenditures by the County may be: (1) denied due to lack of capital funds; or (2) granted with the implicit understanding that the County is not bound to provide the capital improvements on any special schedule.

H. Location on a collector or major street is not in itself sufficient justification of apartment, office, or commercial zoning.

The County has a fee structure which is designed to cover the costs of processing zone change requests. The fees are intended to be minimal and not create an unreasonable financial burden on applicants who wish to change the zoning classification on a given parcel.

A) Zone Change 1.0 – 4.9 acres \$ 200.00 for first acre (or less) + \$25.00 for each additional acre or portion

B) 5.0 – 19.9 acres \$ 300.00 for the first 5 acres + \$15.00 for each additional acre or portion

C) 20.0 – 59.9 acres \$ 875.00 for the first 20 acres + \$10.00 for each additional acre or portion

D) 60.0 acres or more \$ 975.00 for the first 60 acres + \$25.00 for each additional acre or portion

Bernalillo County gives substantial consideration to the impact of a zone change request on adjoining property owners. The County is aware that if a zone change application encounters opposition from neighboring property owners, the review process can be lengthy and the burden of demonstrating the benefit of changing the zoning falls on the applicant. A typical zone change application may take three to six months before the County renders a decision. The County prefers to deal with the need for zoning changes by revisions and updates to sector plans and sub-area plans. Because there are a wide array of issues that must be examined in changing zoning designations a more holistic approach is a better way to integrate the various impacts that a zoning change may create. Bernalillo County has an impact fee policy that allows for some gradients depending on which area of the County the subdivision is located. The County has done an analysis of the plant investment costs of providing certain public infrastructure and facilities in differing areas of the County. This County approach acknowledges that different areas of the County have higher risks and cost associated with various public infrastructure systems that need to be in place in order to protect the property in various parts of the County. The County has established Level of Service costs for various public improvements that the County provides. This level of service formula is used to calculate the fees for different types of housing units.

Facility Type	Level of Service*
Parks	\$335.00 total facilities per person
Open space	\$148.00 total facilities per person
Fire/EMS	\$170.40 per square foot
Roadways	Level of service (LOS) D
Drainage	Flood protection in 100-year design storm

This base level of service calculation is then used to compute the specific impact a given parcel would pay based on its location in the County. Because the initial plan investment costs are different in various parts of the County due to geotechnical and environmental differences in different sectors, the impact fees for a given property are variable. The impact fee schedule reflects the differences for differing conditions in various sectors of the County.

The County has made accommodation in its impact fee schedule for different types of housing. On some fee categories, multi-family housing and manufactured housing units pay less than single family detached. The discounted rates for denser housing can contribute to greater affordability. The impact fees, plus water and sewer connection fees add significant cost to a living unit. The tables below list the fees charged per unit for various impact fee categories.

Park Impact Fees Per unit

Land Use Category	East Mountain Service Area	Northeast Service Area	Northwest Service Area	South Service Area
Single-family dwelling unit*	\$860.00	\$3,112.00	\$1,250.00	\$1,244.00
Multifamily dwelling unit	\$512.00	\$1,876.00	\$925.00	\$986.00
*Includes mobile homes				

Fire and EMS Per unit

Land Use Type	Unit	Impact Fee/Unit
Single-family*	Dwelling	\$842.00
Multifamily	Dwelling	\$590.00
Mobile home	Dwelling	\$438.00

Open Space Impact Fees Per unit

Land Use Category Fee/Unit	Unit	Impact
Single-family*	Dwelling	\$418.00
Multifamily	Dwelling	\$297.00

Bernalillo County Road Impact Fees Per unit

Land Use	Unit of Land Use	Impact Fee
Residential		
Single-Family Detached (210)	Dwelling	\$2,837.00
Apartment (220)	Dwelling	\$1,982.00
Condominium/Townhouse (230)	Dwelling	\$1,731.00
Mobile Home (240)	Dwelling	\$1,487.00
Senior Adult Housing Detached (251)	Dwelling	\$1,097.00
Senior Adult Housing Attached (252)	Dwelling	\$1,025.00
Others Not Specified	Dwelling	\$1,609.00

The table below is a summary of the typical costs that may be levied against different types of dwelling units constructed in the County. **(Per unit)**

Impact Fee Item	S.F. Detached	Apartment	Condo/townhome	affordable w/waiver
Parks/Recreation	\$860 - \$3,112	\$512-\$1,876	\$512-\$1,876	\$0.00
Fire/EMS	\$842	\$590	\$590	\$590
Roads	\$2,837	\$1,982	\$1,731	\$0
Open Space	varies by proximity to ABQ	varies by proximity to ABQ	varies by proximity to ABQ	\$0
Drainage	\$1,890-\$29,272	\$1,890-\$29,272	\$1,890-\$29,272	\$0
total fees	\$6,429-\$36,063	\$4,974-\$33,720	\$4,723-\$33,469	\$590

The County Impact Fee Ordinance has a provision for discounted impact fees for newly constructed affordable housing. The County defines an affordable housing unit as a newly constructed unit that sells for less than \$130,000. Unless a developer or purchaser is able to obtain a building site for a reduced cost, it is difficult to bring a new home into the market for less than \$130,000. A survey of current listings for residential building sites that would meet zoning requirements shows an average square foot price of \$4.15 per square foot. The land for a home in the ¾ acre per dwelling R-1 zone would cost approximately \$135,000. There are some parcels in the South Valley area that are priced less but some of the infill lots surveyed don't have the necessary square footage to meet the R-1 requirement. As part of the adoption of an Affordable Housing Plan and Ordinance, the County will review the issue of impact fee waivers for affordable housing. A waiver policy should encompass not only for sale housing but also rental housing.

The Albuquerque Bernalillo County Water Utility Authority sets rates for water and sewer connections to the Authority owned water and waste system. The Utility Expansion Charge for a typical single family residential ¾ inch water meter is \$2,421. The Utility Expansion Charge for a liquid waste connection for a residential unit using a ¾ inch water meter is \$1,816. Rates are graduated for multiple units using a single water or sewer connection. Based on the services units contained in the structure, meter and sewer costs go up based on the size of the needed connection. The Water Utility Authority does have a provision for periodic payments so that the entire connection fee does not have to be paid at the time a connection application is submitted. There are no provisions in the rate structure for affordable housing units or units occupied primarily by elderly persons.

Infrastructure

Given the rural, agricultural history of Bernalillo County, the infrastructure systems in place are able to accommodate a significant amount of new development. The water and sewer system operated by the Water Utility Authority has a wide reach in the County. Bernalillo Public Works staff has a consensus opinion that there is adequate water and sewer distribution and capacity for many years into the future. The map on the following page provides a description of which areas of the County are served by public/community water and sewer. The plant investment fees (\$2,421 water and \$1816 sewer) are reasonable for such a geographically broad system and given that the arid climate creates the necessity to continually expand the supply of potable water to a growing community.

County Public Works staff believe the water and sewer system to be in good shape and able to accommodate new consumers. In the case of the some of the identified Redevelopment and Sector

Development Plans, the County will be working with the Water Utility Authority to replace pipes and valves to accommodate more intensive land uses. The County has applied for and received various federal infrastructure funds to begin engineering the necessary upgrades to all infrastructure systems in the areas planned for more urban land uses. The County will coordinate its financing plans with the Water Utility Authority to ensure that the necessary resources are available to make the needed upgrades in a timely manner.

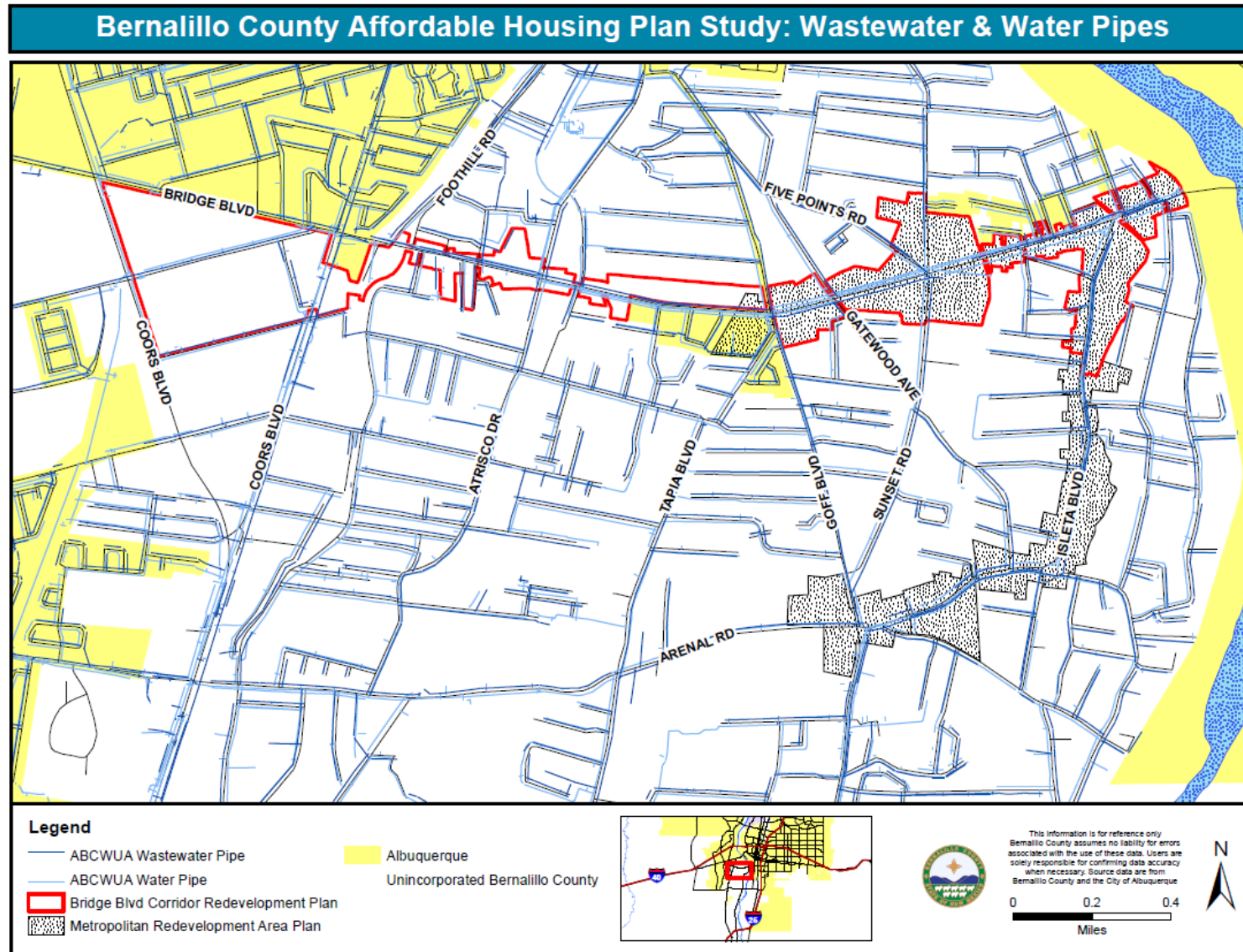
The greater infrastructure challenge is roads, curbs, gutters and drainage. Within the South Valley, which is the most urbanized area of the County, there are multiple residential neighborhoods which don't have paved roads with curb and sidewalks. Without curbing and paved roads, it is challenging to direct surface run off into developed drainage channels. At this time, there is no approved financing plan to complete paving of unpaved neighborhood roads with the necessary appurtenances such as gutters, sidewalks and drainage culverts. In the sub-areas slated for more intensive development, County plans are in place to deal holistically with the range of infrastructure features needed in a more urban environment.

In those areas of the County which have not been identified for more intensive development, the cost of providing the County required infrastructure features could increase the cost of new development. This analysis confirms that the most intensive development activity should occur in areas where there is a public commitment and financing, to increase the road and drainage capacity to accommodate more urban uses. Many cost saving infrastructure ideas came out of the HUD inspired Demonstration Projects of the 1980s. For public infrastructure, such promoted cost saving techniques as dual trenching for water and sewer, have proven to show short term cost savings but when public entities have to deal with maintenance issues associated with stacked water and sewer lines, the complications have added to the cost of repairs. For instance, if there is a problem with a sewer line that is laid beneath a water line, in order to repair the sewer problem, residents are left without water service until the problem can be remediated. Or the local government has to install a "work around" that maintains water service while the sewer problem is corrected.

The County has not embraced many of the cost savings suggestions for lowering the initial cost of infrastructure installations. In reviewing engineering designs, for installation of new infrastructure to serve new development, the County engineers are open to common-sense cost saving alternatives and they can be discussed but the published County standards take a conservative approach to cost saving measures. The quality of installation of new development infrastructure is an important consideration for approving authorities. If the government approving authority (the County and special purpose Authorities) permits a method that results in lower initial costs, but higher maintenance costs, it is not doing a service to homeowners or rental owners or taxpayers if the cost of maintenance is greater in the long term.

In some areas of the County, not covered by a Sector Development Plan or a TOD plan, there are opportunities for infrastructure improvements once those plans are in place. There are a couple of areas in the North Valley area that could support more intensive development with area specific plans that would also address infrastructure upgrades. As referenced earlier, the Road Runner station at Los Ranchos could provide the context for another TOD area plan.

Bernalillo County, Albuquerque Water Utility Authority Distribution System in Unincorporated Areas



Environmental Constraints

Because the County covers such a large land mass there are environmental constraints that have to be evaluated in different development areas of the County. The terrain of the Rio Grande Valley presents definite challenges. Most of the County, including the more urbanized areas, is subject to flash flooding and other longer term flooding threats. There are areas of the County which fall into Flood Plain Zones. The County Public Works staff has concluded that basic flood plain issues contribute only peripherally to development limitations. Most areas that are listed as being in the Flood Plain can mitigate the danger by elevation of finished grades above the high water contour lines on County and FEMA maps.

Many subareas of the County have acequias and arroyos which can produce short term surface flooding. The East Mountain Sector Plan lists the various environmental problems that could result from unplanned development. Surface runoff problems have been addressed through a County-wide drainage mitigation plan that is backed by a robust fee structure that provides the financial resources to address drainage problems throughout the County. The problems associated with the Global Warming phenomenon will probably cause the environmental emphasis to be placed on water conservation and how more intensive development can occur with limited water supplies.

The County has a varied terrain. There are mountains, steep slopes and areas close to major water flows. The County planning and zoning process includes a strong awareness and cautionary guidance for builders and developers in considering various geotechnical dangers that exist in various sectors of the County. The County planning and zoning standards include guidance on avoiding steep slope development sites and guidance on how to site single family homes and other structure to avoid problems caused by geotechnical conditions. This guidance should be followed by those wishing to build new structures in areas of the County that represent geotechnical challenges.

The County has historically had a strong agricultural economy and presently the bulk of the County land use classification system is devoted to agricultural uses. There are known contaminants associated the both crops and cattle grazing. Presently there are not identified sites that contain substances that would need to be removed prior to development activities. Water quality of irrigation and natural streams can produce negative consequences for livestock operations. Development activities particularly industrial and commercial projects will need to ensure that designs ensure that onsite discharge of effluents is properly directed into the public liquid waste system so that livestock and crops are not contaminated.

The Bridge Boulevard Redevelopment Corridor has some contamination issues to address. Over the years, the Corridor has been home to many automotive concerns that have released various petroleum based contaminants on the soil. It is likely that as environmental assessments are completed, for various parcels along the corridor, there will be the necessity of remediation measures to clean up prior spills. These remediation efforts generally are minor and can usually be accommodated within development budgets.

Recommendations for Land Use Regulations and Other Development Requirements

The Zoning Classification System in the unincorporated areas of the County does present some barriers to a more robust housing production system that could produce a more diverse housing supply. The County is a legacy agricultural area and the land use regulations reflect that tie to agriculture. However,

because the County abuts the urban development of Albuquerque, the land use pattern of agriculture parcels with low density residential uses will not accommodate the future growth of the County. The County has taken a proactive approach to dealing with the growth in the urban nature of the County by adopting various redevelopment plans and sector plans that allow for greater diversity of land use within the designated area. The use of the Sector Planning tool and the various Activity Center plans for various subareas, provide the County with some flexibility in providing good planning for the ongoing development that will take place adjacent to the municipal boundaries.

Listed on the table below are issues and challenges that the County has identified in the land use code that can impact the affordability and availability of housing for lower income households. The County will consider changes to address these issues. The County has maintained a policy of providing some impact fee waivers for affordable homeowner new housing. As costs of both land and construction continue to escalate, the County is aware that the impact fee waiver for units less than \$130,000 in total valuation needs to be adjusted to account of for the increased cost of development. On for sale detached units, using present cost assumptions, it is not possible to construct a new home in the R-1 or MH zone for \$130,000 given land and construction costs. A more realistic limit would be \$200,000 using the assumptions that the cost of a lot, not including impact and utility fees, would be a minimum of \$16,600. The hard costs of construction and utility fees would total approximately \$140,000. (See Minimum Density Calculations for specific cost assumptions.) Additionally site development, would add another \$12,000. If the limit were raised to \$200,000, there may be a little flexibility in costs that would qualify in the event that the site presented special challenges or demanded higher costs. Presently a typical entry level home would cost at least \$169,000 if a potential buyer could find a conforming 4,000 square foot site to purchase.

The County believes that the affordable home impact fee waiver policy is an important way the County works to promote housing affordability. However, historically, this waiver is only available to owner occupied housing. Given the greater expense and challenges of developing affordable rental housing, the County will examine expanding this waiver to rental housing units as well. However, present fiscal constraints may push this new policy several years into the future until the County has more discretionary funds to use in backfilling for affordable housing fee waivers.

Issue	Recommendation	Priority Level
Lack of multi-family sites close to public transit and employment centers	Modify O-1 and C-1 zoning regulations to allow residential uses by right that are attached to office, and other mixed use buildings	High
Setback and yard requirements push residential units on to larger lot configurations	Reduce setback requirements for smaller lot subdivisions located in overlay zone.	Medium
Zoning minimums require larger units to meet square footage minimums. Higher lot costs push developers to build larger homes in order to justify land costs on larger lots.	Reduce minimum size requirements and allow developers to set sizes based on market conditions with minimums that go as low as 4,000 square feet for a finished lot.	Medium
Affordable Housing definitions in Impact Fee Ordinance don't include rental housing and the cost threshold of \$130,000 is outdated.	Increase cost ceiling for affordable homeownership to \$200,000 and create a fee waiver standard for affordable rental housing that is affordable for households with less than 50% of Area Median Income (AMI).	High
Lack of incentives in Zoning Code to make denser rental housing more affordable for households with incomes less than 50% of AMI.	Create provisions for density bonuses and other non-cash incentives to incentivize developers to provide rental housing to the lowest income residents.	High
Lack of a permanent, instead of a conditional, ADU policy limits the creation of more housing units on existing R-1 parcels	Create an Accessory Dwelling Ordinance that allows for the construction of secondary dwellings on R-1 parcels that can accommodate denser land use.	Medium
Lack of guidance that would allow for narrower road widths and other innovative techniques that would lower onsite and offsite infrastructure costs for new denser development	The County will convene a task force to address infrastructure requirements that could be modified to lower costs and preserve public health and safety in higher density development.	Medium

EVALUATION OF SUITABILITY, AVAILABILITY, AND REALISTIC DEVELOPMENT CAPACITY OF DEVELOPMENT SITES, INCLUDING APPROPRIATE ZONING FOR SPECIAL NEEDS HOUSING

Land Availability and Opportunities for Development to Increase Supply

The question of land availability in Bernalillo County is primarily a question of political will and acceptance of denser housing options. The County has to work within the context of the political will and desires of the residents and land owners in the County. There has been a historical preference among residents to maintain the rural, agricultural character of the County and this preference is clearly reflected in the land use policies of the County. Many residents don't want to see the County change even though growth is moving into areas that have been historically bucolic, agricultural areas. The County staff and leadership have tried to balance the desire for rusticity with the growth pressures that exist on the borders that the County shares with Albuquerque.

The adjacent areas to Albuquerque are in somewhat of an unsettled state because growth pressures are present but the land use policy and values underlying those policies are still oriented toward a rural view. The County Administration and elected officials have responded to growth pressures while preserving the traditional agricultural and low density character of the County. By creating the planning structure that it has, a series of Sector Development Plans and specialized area plans, the County is opening up opportunities for redevelopment without creating a policy framework that will ultimately result in a suburbanized land mass that has no semblance to the historic and environmental values that brought settlers to the Rio Grande Valley in the 19th Century.

The County Administration and elected officials are focusing on the areas that are the most impacted by encroaching urbanization. The County believes this is a superior approach than launching into a radical new planning classification system that would be met by strong resistance from current residents. The validity of this approach is confirmed by the obvious disinvestment in the Bridge Boulevard Corridor. Private entities have not been willing to risk new investment in the Corridor because they are not sure what the County regulatory framework will allow in the future. As a consequence, there is a roadway system that barely accommodates the level of traffic moving through the corridor. The physical appearance of the Corridor reflects the uncertainty that private landowners feel in risking new investment in the physical improvements they could make. Employees need decent affordable places to live and those are lacking in the fringe neighborhoods of Albuquerque and along the Corridor.

The Comprehensive Plan and the subsidiary Zoning Classification districts, provide a direction to the key opportunities for development in the unincorporated areas of the County. The Opportunity Areas for development, particularly affordable housing development were listed in the earlier section; **Sub-area Plans Increase Opportunities for New Housing Development**, these plans highlight specific development opportunities that have been created as a result of intensive community processes that involved neighbors in defining how the various areas will develop in the future. To recap, the following locations offer the greatest opportunity for denser, affordable development in the unincorporated County.

1. Bridge Boulevard Redevelopment Corridor at Five Points Road

The Bridge Boulevard Corridor Redevelopment Plan has benefitted from the most research and local discussion around how to address the needs in the Corridor. The County has obtained some of the funding it needs to move forward with engineering for the infrastructure improvements in the Gateway and Five Points area. The plan envisions a denser affordable housing development at Bridge Boulevard

and Five Points Road. This is an ideal location and the present land uses would lend themselves well to a robust redevelopment effort.

The Bridge Boulevard and Five Points Road intersection contains some outdated retail buildings. The residential site fronts Sunset Road behind the shopping plaza that faces Bridge Boulevard. The site configuration has several large buildings set back from Bridge Boulevard with large expanses of parking lots facing the Boulevard. The present development plans calls for clearing the existing improvements and building new residential and commercial structures. This new development would definitely enhance a major intersection in the South Valley.

The Redevelopment Plan Feasibility assessment envisions an apartment complex of 76 units with surface parking. The zoning map for the area includes a 4.13 acre parcel for the residential development. With a permitted density of up to 50 units per acre, the number of units envisioned could be accommodated on the site with parking, plazas and other improvements. It is likely that the residential structure would be a three story stepped back structure in order to comply with bulk plane requirements for structures over 26 feet in height.

The owner of the property has participated in the Bridge Boulevard Planning Process and participates in the Main Street Program. He has expressed an interest in being part of the redevelopment effort. The surrounding uses include other commercial buildings and further to the North, on Sunset Road there is a mix of residential and commercial.

Present information is that there are no environmental issues associated with the site. The Bridge Boulevard Corridor Redevelopment plan calls for new offsite infrastructure including road improvements, drainage and sidewalks. There is ongoing discussion about configuring a traffic Round-About at the Five Points-Bridge Boulevard intersection. Present site information indicates that all off-site infrastructure needs will be addressed and that the residential development will make the necessary onsite infrastructure improvements. Bernalillo County Public Works staff believes that existing water and sewer mains are adequate to serve the new commercial and residential development.

Bridge Boulevard has reasonably adequate public transit. The site is approximately two blocks from the #54 bus stop. The County is working with transportation planners to have Bridge Boulevard designated as a Rapid Bus Transit Corridor. This designation would provide more frequent transit service along the Corridor.

Financial Constraints

Presently in the current market environment there is money available for both short term and long term financing of new affordable housing development. Because much of unincorporated Bernalillo County is within a twenty minute drive of multiple mortgage lenders in the Albuquerque area, prospective borrowers for either single family or multi-family housing products have access to the best array of lenders and programs in New Mexico. The New Mexico Legislature has concentrated affordable housing resources in the offices of the New Mexico Mortgage Finance Authority. The MFA is the administrative agency in charge of most affordable housing resources. The only exception to that grouping of resources has to do with Community Development Block Grant Funds. Those funds, which can be used for a variety of affordable housing activities, are lodged in the New Mexico Department of Finance and Administration.

One of the major advantages to the subject property is that the necessary zoning upgrades have already been approved as part of the Corridor Redevelopment Plan. There was ample community discussion and input on using part of the Five Points site for denser residential development and the community was in support of that plan. The developer of the project should continue to engage the neighborhood in discussions around design, amenities and public spaces so that the completed project enhances the community and neighbors will feel that it's an improvement over the present land use.

The site is presently listed for sale. The asking price for the parcel and improvements is \$2.495 million. This square foot price is higher than the assumptions used in the 2012 feasibility analysis incorporated in the Bridge Boulevard Corridor Redevelopment Plan for a rental project. That analysis assumed a square foot land cost of \$4.25 per square foot. The asking price for the parcel equates to a \$14.14 S.F. land cost including demolition of the existing structure. This square foot cost exceeds anything else on the market at this time for a multi-family residential site.

The high land costs can be lessened by building a denser project. The development cost estimate below assumes a density of 38 units per acre with half of the site dedicated to parking and other common area uses including plazas, community center and playgrounds. The Bridge Boulevard-Five Points Affordable Housing Development is only feasible if public financing is brought into the finance plan. That public financing would need to include Low Income Housing Tax Credits (LIHTC). Based on the per unit development profile on the following page, the total development cost of the project would be approximately \$15,064,112. The tax credit amount that could be raised is based on the calculation of the eligible basis, multiplied by 90%, which does not include land costs and some other hard and soft costs. For the 76 units, there is a potential to raise approximately \$10,141,411 using the assumptions in the Bridge Boulevard Redevelopment feasibility analysis that the credits would sell for 95 cents on the dollar. If adequate tax credits were allocated by the Allocating Authority, in this case, the New Mexico Mortgage Finance Authority, the project would become feasible based on the rent restrictions the developers would have to abide by under IRS Section 42 regulations. This is only a preliminary analysis. The Total Development Cost budget would have to be analyzed by line item by the Allocating Authority to determine exactly what costs would be eligible under Section 42 of the IRS Code. Then the Allocating Authority has the discretion to determine the amount allocated.

In most areas of the Country, the infusion of LIHTC is not sufficient by itself to make the development costs affordable in relation to the rents that need to be charged to make units affordable to low income households with less than 50% of the Area Median Income. Most likely, other public financing sources would need to be included to lower the debt service on the mortgage for the amount not covered by the LIHTC proceeds. If tax credit proceeds provided the \$10M plus to cover development costs, there would still be a need to address roughly \$5M of other development costs. In order to keep project rents within required guidelines, other sources of equity would have to be committed. The redevelopment project has the potential to benefit from Tax Increment Financing (TIF) that could support the issuance of bonds which could be paid back through the increase of property tax revenues attributable to the new development. TIF financing could cover some of the infrastructure costs like parking spaces, utility installations, public plazas and other improvements that would be eligible under Federal and State of New Mexico TIF guidelines. Since the area lies within the Metro Redevelopment Area (MRA), there are bonding and other financial tools that could assist with acquisition costs of the property. Other eligible costs could be reduced through MRA contributions. If the MRA allocated TIF revenues to some onsite infrastructure costs, then other funds would be freed up to pay for other items directly associated with

construction. Other potential financing sources could include Private Activity Bonds (formerly Industrial Revenue Bonds), Local Economic Development Act funds.

Because development costs continue to escalate around the country, many affordable projects also have to receive grant/beneficient loan funds from Federal Housing Programs including HOME and CDBG. If the project could garner federal housing grant support of \$500,000, the amount of debt service supported by rents would be reduced.

Another way to lower the amount of funds that would have to be garnered from Public Financing is to receive both cash and non-cash incentives from the local government. These incentives can take the form of reduced or waived development and building fees, land donations and cash infusions. Government fees typically amount to 2% of project costs. If the County could contribute funds to back fill those fees or could waive those fees, a savings of approximately \$3,964 per unit could be achieved. Depending on the ownership entity, New Mexico offers certain property tax exemptions that would help lower operating costs and also make funds available for debt service. The avenue would have to be explored in comparison to the cash infusions that could be obtained through TIF bonds. On a residential project, the TIF financing would only be attributable to property tax collections since there would be no sales tax revenues on a residential project. There might be greater benefit in having a tax exempt entity such as a Public Housing Authority own the project because the tax exemption may be a greater net savings than using TIF financing.

It will be necessary to seek other contributions to bring the debt to a level that will leave enough rent revenue to pay the per unit operating expenses. If parking space requirements could be reduced further by the use of shared parking with the commercial section of the development, the cost savings could be significant. If the requirement were reduced to one space per unit, the savings would total \$95,000.

The development cost project profile which follows includes various assumptions that could vary from a real project once design and engineering work is completed. However, if the current known information remains constant, the development cost projections are not unrealistic. An important consideration is that the cost estimate has been designed to allow room for a quality development. If the Five Points project becomes the first affordable housing development in the Bridge Boulevard Corridor Redevelopment Area, it is important that it become a model project from square one.

Development Costs for Five Points

Multi-Family 4.13 acres

(2.0 acres common areas)

	High Density R-2/TOD
Density (Units/Acre)	38
Development Costs	
Unit Size	850
Lot Size (Square Feet)	1,146
Land Cost \$9.57/sf	\$16,209
Cost to Build	
Site Prep/Utilities/Landscaping (\$3/sf)	\$3,439
Building	\$98,260
Common Area (10%)	\$9,826
Parking (\$2,500 per space)	\$3,750
Contingency (5% of Building Costs)	\$4,913
Soft Costs /Profit (30% of Hard Costs)	\$30,510
Total Cost to Build/Unit	\$166,907

2. Bernalillo/Sunport TOD Area

The plan for this area is much less detailed than for the Bridge Boulevard Corridor. The offsetting advantage is that there is a large quantity of undeveloped land that could be utilized for affordable housing and attached housing development. The master vision is to build a Transit Oriented Development that takes advantage of the transit hub that is being developed at the Rail Runner transit station. The transportation planning and implementation is already in place to provide a connection to the Rail Runner Commuter Rail line that is linked with a robust surface transit system that increases circulation efficiency for workers who need to move around the southern areas of the City and also for those workers who need to travel greater distances from the South Valley to other parts of the City or State for that matter. The Rail Runner allows commuters to travel efficiently to Santa Fe and many other communities between Bernalillo County and destinations to the east.

The County has developed a comprehensive Transit Oriented Development Plan that provides a direction for development at this important transit hub. The Plan calls for dense residential development that radiates out from attached, dense rental units to small lot units for those wishing to pursue ownership opportunities. The broader land in question has no improvements and represents large tracts of land that could be configured in a number of ways to create the desired development density. The general area of the development would be at 2nd Street and Rio Bravo. There are large tracts of vacant land on both sides of 2nd Street running South to Rio Bravo.

The development scenario for rental housing is similar to the Five Points area. It would be possible to develop fairly dense rental housing complexes surrounding the transit connection. The plan is to have a transit hub that includes intense Bus Rapid Transit connections that would distribute commuters from the Rail Runner to local buses that would drop riders close to their homes.

There is not presently a clear development plan but the available land creates a blank canvas that could allow multiple uses on different parcels. Based on site conditions, the land costs should be more favorable than at the Bridge/Five Points location. There have been a number of light industrial uses and soil testing would need to be completed on some of the sites where there is a history of industrial use. The TOD plan has increased the zoning density and height limits to create the mechanism for dense development. There are several large sites, since the area was previously zoned agricultural and industrial. Presently, the surrounding uses are mostly light industrial with a few homes scattered among commercial parcels. There are multiple owners in the plan area but several owners own large portions of the designated TOD area. There are ongoing discussions with owners about selling or becoming partners in the TOD development plans that are forming.

This location will have excellent access to both rail and bus public transit. The development plan calls for extensive work on 2nd St NW and the intersection at Rio Bravo. Bernalillo Public Works Department staff indicates that there is adequate water and sewer infrastructure for the TOD site. There is few retail outlets located near the site. The plan calls for small retail and service businesses that could provide for basic daily needs of residents in the TOD.

The current market for multi-family/commercial land in the Albuquerque Metro area averages between \$5.00 and \$9.00 per square foot. The larger area around the Sunport TOD location is occupied by businesses which don't need a high traffic, densely developed area to conduct their business. The necessary land for a 100 unit four acre development should be purchased for around \$6.00 a square foot. This land estimate would make the Sunport site less expensive to develop than the Five Points location.

The development estimate on the following page demonstrates the difference in land cost, thus producing a rental unit for less cost than the Five Points units. The overall unit densities are greater as well. The TOD concept provides a dense urban environment where people circulate primarily by foot. With the availability of public transit within walking distance, residents should be able to decrease the number of daily car trips they take. The parking requirements at the TOD site are less than the typical Bernalillo County requirement for two spaces per unit. For the TOD site, the requirement is 1.5 spaces for a 2 bedroom unit. Depending on how the other uses develop at the site, there may be the possibility of lowering that requirement in favor of shared parking spaces that could be utilized by both residents and businesses. If new commuter spaces were added for transit riders, it may be feasible to include some of those spaces in a sharing arrangement.

**Development Costs for Sunport
TOD**

Multi Family Rental

4 acres

(2.0 acres common areas)

	High Density R-2/TOD
Density (Units/Acre)	50
Development Costs	
Unit Size	850
Lot Size (Square Feet)	871
Land Cost \$9.57/sf	\$5,227
Cost to Build	
Site Prep/Utilities/Landscaping (\$3/sf)	\$2,614
Building	\$98,260
Common Area (10%)	\$9,826
Parking (\$2,500 per space)	\$3,750
Contingency (5% of Building Costs)	\$4,913
Soft Costs /Profit (30% of Hard Costs)	\$30,262
Total Cost to Build/Unit	\$154,852

Based on the per unit estimate of \$154,852 the total cost for a 100 unit rental development at the TOD site would be \$15,485,200. The financing structure would be similar to that described for the Bridge Boulevard/Five Points Site. In order to reduce the debt service to a level that would allow the restricted rents to cover operating expenses and debt service, a substantial percentage of project costs would have to be borne by equity sources to reduce the needed debt financing. Low Income Housing Tax Credits would be the largest portion of the equity infusion. A simple estimate without adjustments to the eligible base beyond land costs would indicate that approximately \$12 million could be raised.

Other Public Financing resources would also be needed to reduce amount to be financed with a mortgage. The present site is not part of the Metropolitan Redevelopment Area. The Authority could expand the district boundaries to include the site so that Tax Increment Financing could be applied to some of the infrastructure costs. Federal HOME and CDBG funds could be secured to increase the equity amount in the project. Bernalillo County could provide the TIF enhancement if the Metropolitan Redevelopment Agency were unwilling to include the site in the redevelopment district. Bernalillo County could provide waivers of building and impact fees. Such a waiver or cash donation could reduce project debt by \$372,314.

3. Bernalillo/Sunport TOD Attached Homeownership

The TOD site would be an ideal location to develop some modestly priced condominiums. The Minimum Density Calculation worksheet which will be presented in a following section of this plan, demonstrates the challenge of homeownership in the. Under the R-1 requirements, the large lot size pushes the cost of a new house beyond the reach of households earning less than 120% of the Area Median Income. The cost of a ¼ acre lot averages \$4.15 a square foot which puts the price of a conforming R-1 lot at \$135,000. The TOD zoning allows for and envisions owner occupied units on much smaller lots. A ten unit per acre development lowers the cost to a point that homeownership is affordable for households

at 80% AMI with downpayment assistance. A fifteen DU to the acre configuration makes the home affordable to those at 80% of the AMI without the need for outside downpayment assistance, assuming the buyer provides a 5% downpayment to obtain a loan.

A long term analysis of the Albuquerque housing market completed by CB Richard Ellis (CBRE) projects that within 20 years, 30% of the units in the inventory will be attached units. The market acceptance of attached ownership housing is growing and a project at Bernalillo/Sunport would likely be received positively by the market. The locational advantages would enhance marketability for households that would value the accessibility of public transit for commuting to work and moving around the urban area adjoining the site.

The locational advantages could also provide the opportunity for purchasers to take advantage of various Location Efficient Mortgage products. Generally, purchasers can qualify for larger mortgages if it is demonstrated that their location makes it feasible to complete their daily activities without the use of an auto. Presently the Walk Score for the area is low but as the TOD is built out, the score will increase. The Transit Score is also relatively low but will improve as more local residents demand better, more timely transit connections.

The TOD complex will continue to evolve over the years and the site conditions lend themselves to expansion as the market demands more housing options at the location. An initial project of 45 units would be a good start in the market for attached homeownership. This location for attached housing is also good because the area around Sunport is still largely undeveloped. As more businesses and homes are created in the Southwest Valley area, potential buyers will find it desirable because of the location and transit amenities. For residents of the Sunport TOD site, it will open close access to the many jobs that the Sunport Airport development offers.

The following development cost projection will illustrate the costs and ultimate sales prices of a medium density attached homeownership development could offer.

Sunport TOD

For Sale

Parking and Common Areas Included

High Density MH	
Density (Units/Acre)	15
Development Costs	
Unit Size	900
Lot Size (Square Feet)	2,904
Land Cost \$4.15/sf	\$12,052
Cost to Build	
Site Prep/Utilities/Landscaping (\$3/sf)	\$8,712
Building	\$104,040
Contingency (5% of Building Costs)	\$5,202
Soft Costs Profit (25% of Hard Costs)	\$22,550
Total Cost to Build	\$152,556
120% AMI Max Purchase Price	\$245,700
<i>Surplus Capacity/Gap</i>	\$93,144
100% AMI Max Purchase Price	\$215,700
<i>Surplus Capacity/Gap</i>	\$63,144
80% AMI Max Purchase Price	\$178,500
<i>Surplus Capacity/Gap</i>	\$25,944
60% AMI Max Purchase Price	\$129,400
<i>Surplus Capacity/Gap</i>	(\$23,156)
50% AMI Max Purchase Price	\$111,700
<i>Surplus Capacity/Gap</i>	(\$40,856)

The homeownership model at Sunport is a cost effective approach because for most income bands, it doesn't require the deep subsidies that rental housing needs, to be able to offer restricted, affordable rents to the very poorest households. The most challenging question is one of timing. Can the for-sale units achieve market acceptance before the other improvements are in place i.e. shops, service businesses, enhanced transit. There may be opportunities to reduce development costs beyond what is demonstrated in the development budget by changing parking requirements, providing fee waivers, or obtaining Federal HOME or CDBG funds to buy down the cost of the unit or to provide down payment assistance to households who don't have the income or the savings to meet underwriting requirements for a mortgage.

Housing Sustainability

The greater Albuquerque area has its environmental challenges. It is a high desert environment. Cooling costs often exceed or are equal to heating expenses. Water shortages will be an ongoing challenge. Housing construction consumes substantial natural resources and the ongoing operation and maintenance of housing consumes more resources and represents a sizeable expense to property owners. The growing population demands more housing units in the face of limited resources. The demand for housing often pushes lower income wage earners out of the market. The affordable

housing needs documented in unincorporated Bernalillo County reflect the fact that there are a sizeable number of households who cannot compete in the housing market.

Affordable housing is an important but costly element of any community's development plans. It is critical that both new housing and older housing incorporate the best ideas in green building, energy conservation, and long term sustainability of the housing stock. Bernalillo County has taken a proactive approach in encouraging sustainable residential building practices. The County provides a program for waiving a portion of the customary impact fees for homeowner residential projects which meet one of two criteria:

- a) A home which achieves a HERS (Home Energy Rating System) of 60 or Lower. This rating would mean that the home was 40% more energy efficient than a home built to the energy performance standards of the 2004 International Building Code.
- b) Silver or higher rating in either the Build Green New Mexico Program or in the National LEED-H (Leadership in Energy and Environmental Design for Homes).

Both criteria are supported by third part certification that examines the home and rates it on the following factors:

- Energy Efficiency
- Water Efficiency
- Resource Efficiency
- Indoor Air Quality
- Lot Design and Building Orientation proper for the Climate Zone
- Homeowner/resident education on maintaining a sustainable residential building

The Bernalillo County policy applies not just too affordable units, but all residential units built in the unincorporated areas of the County. While it is good policy that all homes incorporate the best practices in sustainable building, it is essential that the affordable product, both rental and ownership incorporate Green Building and sustainable energy conservation. A major component of ensuring financial stability for low income households is to ensure that the monthly maintenance and operating expenses for the dwelling is as low as possible. On the finance side, both single family and multifamily lenders have various programs to increase loan to value ratios on residences that meet the Sustainable Certifications. If an owner incorporates the Green Building practices, lenders are confident that the future operating expenses will be lower thus freeing up household funds to pay a larger mortgage.

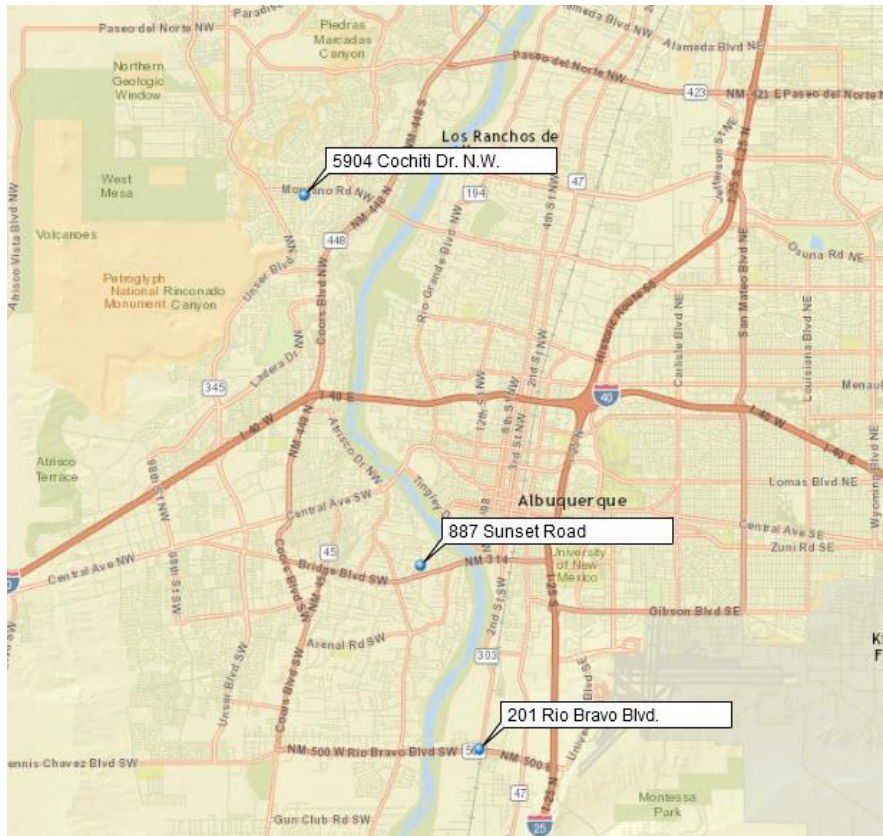
Another important consideration for lower income owners and renters is the size of the combined housing and transportation expense. In housing markets where the price of homes and apartments is increasing, consumers will choose to live further away from service and job centers because the cost of housing can be cheaper. This phenomenon, known as "Drive till You Qualify", often results in a false economy. While consumers may spend less on their direct shelter expenses, by living further away from economic centers, the cost savings is often consumed by greater transportation expenses.

HUD has embraced the linkage between shelter and transit expense and the Office of Sustainability at HUD, has encouraged federal housing program administrators to begin applying the Housing/Transit Index as an underwriting criterion when assessing requests for housing development assistance from local communities. HUD has promulgated a guide that combined Housing+Transit costs should not exceed 45% of household income. The Housing + Transit Affordability Index was developed by the

Center for Neighborhood Technology to assist housing consumers, as well as builders and developers in evaluating locations for new housing development.

Bernalillo County covers a large land area and it is not practical to identify one location for evaluation on the Housing Transit Index. For purposes of illustration, the following addresses have been entered into the Index Calculator to provide a comparison of different locations in the County.

Address	Housing Cost	Transit Cost	Total
887 Sunset Road	28%	24%	52%
201 Rio Bravo Blvd.	23%	26%	49%
5904 Cochiti Dr. N.W.	36%	25%	61%



The sample addresses above illustrate the differences in the combined housing/transit cost analysis. The first two addresses correspond with the two development sites, Five Points at Sunset and 2nd St. and Rio Bravo. The South Valley addresses have lower housing costs than the third address which was randomly picked in the Northwest area of the County near Montano Boulevard. For new residential development in the unincorporated area of the County, it will be more cost efficient for consumers if new product is introduced into the market in the areas closer to the Albuquerque City Limits. Development locations with good access to public transit can lower transit costs by allowing the use of other transportation options beside the auto.

Development Capacity

The County is undertaking an ambitious redevelopment plan to promote the construction of more affordable housing as a major goal in the redevelopment plans. The construction economy of greater Albuquerque has suffered from the downturn in development that happened as a result of the Great Recession of 2008. Local construction representatives and developers indicate that many construction workers left the area to pursue employment in other areas of the Country. While the Metro Albuquerque economy is showing signs of expansion, building construction has not resumed the pace of the pre-2008 period. Bernalillo County Building Permit applications have shown a recent significant increase in number and demand appears to be signaling the need for more new construction.

The gestation period for new affordable housing developments typically takes 1 to 3 years before foundations are installed. If the County, working with private development teams, initiated any of the projects listed above, it is likely that there will be an adequate workforce to complete those projects. As construction starts increase, local builders and developers will be able to offer more employment in construction. Workers who have left the community and new residents in the community will be attracted to the workforce as new projects commence.

IDENTIFICATION OF CONSTRAINTS: GOVERNMENTAL AND NONGOVERNMENTAL

Governmental Constraints to Affordable Housing Development

Housing development and construction is one of the more regulated activities in our economy. Federal regulations and policies govern many aspects of the housing production process. The reach of Federal policies cover everything from financing policies, to resource policies, trade policies, to regulations which govern who may live in the housing constructed. State and local governments also have a large influence on the housing production process. Local governments in some aspects, have the greatest impact on the production process through local land use policies and plans. The zoning framework a local government adopts highly influences how the market can respond to housing demand. If the local regulatory framework is too restrictive, the market is unable to respond to demand in a timely and cost effective manner.

Bernalillo County Zoning Code

Based on the earlier analysis in this report, Bernalillo County has adopted a Code that places agricultural and low density residential uses as a primary objective. The Code permits few opportunities to develop denser, lower cost ownership housing. The Code designates minimal land mass for multifamily housing. Under the present R-1 guidelines a home builder needs to have a parcel of nearly 33,000 s.f. for a house. The land cost alone, places the cost of ownership out of the reach of a significant percentage of potential homebuyers in Bernalillo County. Builders have the option of applying for other more complex zoning classifications in order to build denser single family developments. However, under special use or planned community or planned unit development, the zoning change process requires an extensive public involvement process that, according to both builders and planning officials can easily extend the application period from three months to a year. Most builders are not willing to risk the expense and uncertainty of a zoning decision in order to change the classification. They will either pursue opportunities that don't require a lengthy semi-judicial process or they will move to other jurisdictions that have a more conducive regulatory structure.

There has been no new multifamily housing built in the unincorporated County for some time. While market conditions have been adverse, there also is the problem of identifying a parcel zoned for dense development. All key informants agree that rezoning a piece of agricultural land for apartments would be a tough sell to citizens and elected officials as well. The lack of R-2 zoned parcels, may be contributing to the high asking price for the parcel at Sunset and Bridge Boulevard in the Redevelopment area.

The County has been proactive in its use of Sector Development Plans and Redevelopment as a tool to add more flexibility. However, to stimulate a balanced market for land, suitable for denser detached homes and apartments, the County will initiate broader rezoning deliberations. In some locales, it may be a practical solution to create redevelopment overlay zones that could be utilized to approve smaller lot sizes in the range of 3,750 square feet or narrower if there is a public right of way in the rear of the property.

The County does not have an accessory dwelling unit (ADU) ordinance. There is a provision for a conditional ADU if it is needed for elder care or temporary living due to family circumstances. The temporary unit must be removed from the property by the end of a three year period. An ADU ordinance could provide a higher utilization of the large legacy lots in the R-1 zone. Some communities with a high inventory of large lots have allowed homeowners to erect ADUs as a way of better utilizing shrinking land supplies. As the minimum density calculations later in this report suggest, it will be increasingly difficult for younger families to afford a home on an R-1 lot. If a family member were able to get an ADU permit, it might be possible for the younger family to finance the improvements for a decent, affordable home if the land cost were taken out of the equation. The ADU concept is an important benefit for other family situations, whether it is to provide a decent dwelling for an aging family member on a fixed income or to provide an affordable dwelling to a care giver that cares for an ailing family member or young children. The County would need to evaluate each application on a case by case basis to ensure that utility and parking provisions were adequate to prevent future problems with more the intensive land use.

Community comment for this plan has carried a consistent theme that residents like the low density, rural character of most parts of the County. Everyone who provided input for this plan indicated that upzoning efforts were tough to bring to a positive outcome unless there was a comprehensive vision that could demonstrate how the quality of life would be better if the land uses change. This is the key to future changes. The County will continue to pursue an approach that frames change around providing a more dynamic, interesting community that can only be produced through hubs of activity including culture and commerce. The densities that prevail in the County presently are not sustainable for providing quality government services. It is difficult to maintain any public transit or public services if those services are benefitting less than one person per acre in the County.

The County believes the Bridge Boulevard Corridor Redevelopment Plan is a smart step in the process of reorienting land uses. It is apparent to the community at large, that the Corridor represents a developing urban area and that the basic characteristics of the Corridor resemble the urban form of Albuquerque more than the bucolic nature of the reserve areas. There are some tweaks to the Corridor Redevelopment Plan that need to be made. The prevalence of the R-1 zoning in areas adjacent to the Corridor could become ideal areas for denser single family housing. There are already many non-conforming residences that have been there prior to the Zoning Code. That denser typology could be

used as one rationale for using a redevelopment overlay zone that would allow smaller lot sizes, since they already exist along the corridor.

Density bonuses are referenced in the Bernalillo County Zoning Code but no specific criteria are described to inform developers how the County would treat such a request. As part of this plan, the County will provide some guidance on the preferred approach for utilizing the density bonus provision. Density bonuses may be an effective tool for making housing more affordable by allowing developers who restrict a certain percentage of new units to a County established affordability level. Except for specific clearances in Redevelopment or Sector Plans or TOD Plans, there isn't a mechanism for allowing greater density to deal with the burden of land costs on affordable projects. The permitted densities in the R-2 zone are not necessarily going to make the finished unit affordable to those at less than the Area Median Income.

Subdivision Regulations

The County subdivision regulations don't create inordinate constraints to denser development. The process the County follows gets more complex as the size of the development increases. The current Santolina Development proposal is a case in point. Because of the large scale of the Planned Community application, it is important that the County examine the long term impacts of the proposal. The County has provisions for simpler subdivisions and the lesser scale of review is appropriate for subdivisions of smaller sizes. Smaller subdivisions can be processed in a timely manner that doesn't create a burden for property developers.

Summary of Land Use and Zoning Regulations that Pose Constraints to Affordable Housing

Issue	Recommendation	Priority Level
Lack of smaller lots for single family homeownership development	Modify the R-1 Zoning classification at least in some areas to allow for smaller lots for single family homes. Reduce minimum lot size to 8 DUs per acre.	High
Low density in R-2 districts that make multi-family housing development infeasible	Increase R-2 areas to allow up to a 2.0 FAR to match M.F. requirements in designated Redevelopment zones. Allow densities of 25-50 DUs per acre.	High
Lack of compact development with population to support commercial uses in Bridge Boulevard Corridor Redevelopment	Create an overlay zone that allows for higher detached housing densities in the adjacent R-1 areas to the Bridge Boulevard Corridor Redevelopment zone.	High
Parking requirements that drive higher percentages of land devoted to car parking	Reduce parking requirements for MF development located close to public transit in compliance with reduced requirements in Sector Plan & TOD for higher density development	Medium
Lack of multi-family sites close to public transit and employment centers. Lack of expedited review timelines discourages developers from dealing with changes to zoning and subdivision requirements.	Modify O-1 and C-1 zoning regulations to allow residential uses by right that are attached to office, and other mixed use buildings. Fast track reviews for developments which require a denser land use category and also restrict an at least 40% of units to households below 80% AMI.	High
Setback and yard requirements push residential units on to larger lot configurations	Reduce setback requirements for smaller lot subdivisions located in proposed overlay zone or MH zone.	Medium
Zoning minimums require larger units to meet square footage minimums	Reduce minimum size requirements and allow developers to set sizes based on market conditions	Medium
Affordable Housing definitions in Impact Fee Ordinance don't include rental housing and the cost threshold of \$130,000 is outdated	Increase cost ceiling for affordable homeownership to \$200,000 and create a fee waiver standard for affordable rental housing that is affordable for households with less than 50% of Area Median Income (AMI).	High
Lack of incentives in Zoning Code to make denser rental housing more affordable for households with incomes less than 50% of AMI.	Create provisions and procedures for density bonuses and other non-cash incentives to incent developers to provide rental housing to the lowest income residents.	High
Lack of a permanent, instead of a conditional, ADU policy limits the creation of more housing units on existing R-1 parcels	Create an Accessory Dwelling Ordinance that allows for the construction of secondary dwellings on R-1 parcels that can accommodate denser land use.	Medium
Lack of guidance that would allow for narrower road widths and other innovative techniques that would lower onsite and offsite infrastructure costs for new denser development	The County will convene a task force to address infrastructure requirements that could be modified to lower costs and preserve public health and safety in higher density development.	Medium

Non-Governmental Constraints to Affordable Housing Development

The most identified constraint to affordable housing development centers on the resistance of County residents to accept higher density developments. There are several parcels that could make excellent sites for denser development however, when preliminary proposals emerged to utilize those sites, neighbor opposition was so intense that developers opted to move on to other development options. Part of neighborhood resistance is attributable to some less than desirable multi-family complexes that have been built in the County. Part of the challenge for affordable housing developers, working with limited resources, is to design and produce a product that is attractive not only to prospective residents but also to neighbors.

The approach of including denser development in a more comprehensive redevelopment vision is a good technique to neutralize some neighborhood opposition. Even for some individuals who want to see no change in the immediate environment, the prospect of better transit options and more convenient shopping and service options, can offset the idea that there will be more development in the neighborhood. This approach has worked and that is why the best options for affordable housing development are located in areas that have been the subject of intensive planning and civic engagement efforts in the County.

Communities who have successfully moved ahead into a more comprehensive vision for community development have been those who have understood that the entire community needs to perceive a benefit from the change the government authorities are promoting. Thus far, with the planning efforts that Bernalillo County has completed, the County has been successful in bringing a reluctant collection of neighbors on board with new plans. The County will continue to educate residents about the advantages or more intensive land uses in areas that support density, through infrastructure and transit, while at the same time honoring its commitment to preserving the rural character of the areas of the County that do not about the urban complex of Albuquerque.

While the County doesn't control the prices land owners set for their land, the allocation of the land in various zoning categories does influence perceived value and thus asking prices. Based on the research and analysis for this plan, land prices in the unincorporated areas of the County are in flux. In comparing prices on parcels for either lower density units for homeownership or for multifamily developments, there is a wide spread in asking prices. There seem to be a number of parcels for lower density development that could be affordable if the lot size were smaller than current zoning. However, because there is so little zoned R-2 land available for multifamily development, it is difficult to tell what the real market value of a parcel might be.

The approach the County has taken with its subarea plans, has allowed the option for denser development in some areas, but at the same time, by creating a plan with a definite target area, has the effect of telling owners that they can charge what they want for land, and prospective developers will pay the price because there is no option. The County will consider adding more land into the R-2 classification so that the market can find an equilibrium point. Presently values range from \$5.00 a square foot for entitled land, with drawings in an R-2 Zone to over \$14.00 per square in the Bridge Boulevard area. It is very difficult for lenders or developers to confidently move forward with land acquisition, when the prices are so divergent.

Financial Constraints

Presently in the current market environment there is money available for both short term and long term financing of new affordable housing development. Because much of unincorporated Bernalillo County is within a twenty minute drive of multiple mortgage lenders in the Albuquerque area, prospective borrowers for either single family or multi-family housing products have access to the best array of lenders and programs in New Mexico. The New Mexico Legislature has concentrated affordable housing resources in the offices of the New Mexico Mortgage Finance Authority. The MFA is the administrative agency in charge of most affordable housing resources. The only exception to that grouping of resources has to do with Community Development Block Grant Funds. Those funds, which can be used for a variety of affordable housing activities, are lodged in the New Mexico Department of Finance and Administration.

The Department of Finance and Administration focuses on using its statewide Balance of Funds in the rural areas of New Mexico. Bernalillo County Officials have the perception that unincorporated Bernalillo County cannot access Statewide Balance Funds. The County will examine this barrier and if necessary, will consult with the Executive Branch to determine if it really is a New Mexico Government policy to exclude a major rural area of New Mexico from CDBG assistance. Unincorporated Bernalillo County is not part of the Albuquerque CDBG Entitlement and the only source of CDBG funds for Bernalillo County, lying outside of the Albuquerque entitlement is the State. This is an important challenge for Bernalillo County because the County's population and demographic is used by HUD to calculate how much funding the Statewide Balance Program receives. Bernalillo County has needs for housing rehabilitation and infrastructure improvements that could be supported by the State through its CDBG allocation.

Because potential Bernalillo County homebuyers are in proximity to MFA and many local bank outlets that participate in MFA mortgage revenue bond programs, there is not a shortage of lending options.

The County Housing Department offers homebuyer training both through other intermediaries and through its Section 8 Homeownership Program. The County works with MFA on homeownership education as well as with other agencies which provide training. The County Housing Department also works with regional supportive service providers to provide supportive services to a variety of special needs populations. The Supportive Service component of the Bernalillo Housing Department is also supported by the County through its Social Services grant program to agencies that provide supportive services to the special populations of the County.

Capacity

The County has a high performing Housing Authority that functions under the County Housing Department, which provides a variety of services to Bernalillo County residents. The County Housing Authority has been rated a high performer by HUD and the federal agency has asked the County Housing Authority to assist some adjacent smaller housing authorities which the BCPHA has done. As a new era begins to form in Bernalillo County, the County is deliberating the future of the County Housing Authority and County Housing Department. It is aware that many communities have spun off their Housing Authorities in to more independent entities that allow a separation between the Housing Authority and the County. This has several business advantages. If the Housing Authority enters into the housing development business, it is better to have a separation from the County government so that the County doesn't have to defend or become involved in legal embroilments resulting from Housing

Authority development activities. Housing development is a risky venture and it serves Counties well to have a firewall between the financial liabilities involved in a development project and other County functions. It also enhances the ability of Housing Authorities to pursue their own business objectives without having to take the less risky approach for fear that financial dealings may involve the County Government in controversies around development plans.

The County Housing Authority and the County Housing Department has the capacity to carry out many of the actions listed in this plan or to function effectively under a different organizational structure that would allow for a more entrepreneurial approach. Some Housing Authorities form free standing non-profit corporations to carry out development projects. Others form new joint venture entities with other for-profit or non-profit development groups as a way of bringing together the necessary capacity to undertake development ventures.

There are also several non-profit housing development organizations that could bring new units into the affordable inventory or could participate in joint ventures with the County Housing Authority. YES Housing and New Life Homes have successfully developed tax credit and other affordable projects in the Greater Albuquerque area. There are also a number of local for-profit developers who have brought affordable ownership housing and tax credit financed multi-family housing into the Greater Albuquerque market.

MINIMUM DENSITY CALCULATIONS TARGETED TO AFFORDABLE HOUSING POPULATIONS

Single Family Ownership

	Low Density - Current R-1	Low Density R-2	Medium Density R-2	High Density MH	High Density MH
Density (Units/Acre)	1	2	8	10	15
Development Costs					
Unit Size	1,700	1,500	1,100	1,100	900
Lot Size (Square Feet)	32,670	21,780	5,445	4,356	2,904
Land Cost \$4.15/sf	\$135,581	\$90,387	\$22,597	\$18,077	\$12,052
Cost to Build					
Site Prep/Utilities/Landscaping (\$3/sf)	\$98,010	\$65,340	\$16,335	\$13,068	\$8,712
Building	\$178,432	\$157,440	\$115,456	\$115,456	\$94,464
Contingency (5% of Building Costs)	\$8,922	\$7,872	\$5,773	\$5,773	\$4,723
Soft Costs Profit (25% of Hard Costs)	\$55,288	\$44,556	\$26,358	\$25,705	\$20,635
Total Cost to Build	\$476,233	\$365,595	\$186,519	\$178,079	\$140,586
120% AMI Max Purchase Price	\$245,700	\$245,700	\$245,700	\$245,700	\$245,700
<i>Surplus Capacity/Gap</i>	(\$230,533)	(\$119,895)	\$59,181	\$67,621	\$105,114
100% AMI Max Purchase Price	\$215,700	\$215,700	\$215,700	\$215,700	\$215,700
<i>Surplus Capacity/Gap</i>	(\$260,533)	(\$149,895)	\$29,181	\$37,621	\$75,114
80% AMI Max Purchase Price	\$178,500	\$178,500	\$178,500	\$178,500	\$178,500
<i>Surplus Capacity/Gap</i>	(\$297,733)	(\$187,095)	(\$8,019)	\$421	\$37,914
60% AMI Max Purchase Price	\$129,400	\$129,400	\$129,400	\$129,400	\$129,400
<i>Surplus Capacity/Gap</i>	(\$346,833)	(\$236,195)	(\$57,119)	(\$48,679)	(\$11,186)
50% AMI Max Purchase Price	\$111,700	\$111,700	\$111,700	\$111,700	\$111,700
<i>Surplus Capacity/Gap</i>	(\$364,533)	(\$253,895)	(\$74,819)	(\$66,379)	(\$28,886)

The table on the preceding page shows different scenarios for development costs for single family, ownership housing. Densities were calculated using existing zoning classifications for residential use. Currently the R-2 designation is targeted toward apartments but the setbacks and densities stipulated in the R-2 designation could work for owner occupied housing as well. The square footage of the sample homes decreases as densities become greater. The M-H designation allows for the densest single family configuration. Land costs are estimated based on a 2015 survey of land available for sale in the unincorporated areas of the County. Building costs are based on the 2015 International Building Code Building Valuation Data for frame housing construction. This square footage price of \$141.00 per square foot has been factored to better reflect current building costs in the Albuquerque market. The square foot price of the vertical improvements has been reduced by 18% to adjust square foot estimate of \$115.62. Site preparation costs are based on Bridge Boulevard Corridor Economic Analysis completed for Bernalillo County in 2012 and include utility connections. Soft costs include entitlement applications, impact fees, building permit fees, architectural fees, legal fees, construction interest and builder overhead and profit. This percentage has been reduced for single family housing, from the estimate prepared in the Bridge Boulevard Corridor Economic Analysis.

The two variables in the table above that impact costs are lot size and size of the home. As the size of the home and lot decrease, the home becomes more affordable to a larger group of purchasers. In the highest density calculation, households with 80% of the AMI can afford to purchase the home without any outside subsidies. Households at 60% of the AMI can afford the smaller home but will need subsidies of over \$37,000. The amount of subsidy needed could be reduced through public finance actions such as waiving building fees, impact fees, providing funding to backfill water and sewer tap fees. Some communities have chosen to close the financing gap by donating public land for deed restricted residential projects. Bernalillo County owns at least one smaller parcel that could possibly be used for either ownership or rental development. On the single family cost model above, if the land costs were taken out of the profile the purchase price could be reduced by \$12,500. Below is an estimate of the value of reduction items that could be applied in order to make the home more affordable:

Item	Amount
County Impact fees 75% discount*	\$3,542
Building permit fees	\$2,300
Land donation or long term lease	\$12,500
Utility Connection fees	\$4,237
Total potential savings	\$22,579
*assumes lowest drainage impact fee	

If the public finance items listed above were applied to the smallest home/lot sample, a household at 60% of the AMI would need down payment assistance of \$14,527. This amount of downpayment assistance would not be out of the realm of feasibility. Households at 70% to 80% of AMI would not need downpayment assistance or the amount of public subsidy from local government could be reduced to offset some downpayment assistance funds. In order for Bernalillo County to apply any of the financing tools listed on the table above, the County will need to adopt an Affordable Housing Plan and have an Affordable Housing Ordinance in place so that the County will be exempt from the Anti-Donation Clause restriction. As resources become available to the County, with an Ordinance in place the County will be able to contribute resources that are appropriate for the targeted population.

	Low Density - Current R-2	Low Density R-2	Medium Density - MH	High Density - R-2/TOD	High Density R-2/TOD
Density (Units/Acre)	4	8	15	25	50
Development Costs					
Unit Size	950	950	850	850	850
Lot Size (Square Feet)	10,890	5,445	2,904	1,742	871
Land Cost \$4.15/sf	\$45,194	\$22,597	\$12,052	\$7,231	\$3,615
Cost to Build					
Site Prep/Utilities/Landscaping (\$3/sf)	\$32,670	\$16,335	\$8,712	\$5,227	\$2,614
Building	\$109,839	\$109,839	\$98,277	\$98,277	\$98,277
Common Area (10%)	\$10,984	\$10,984	\$9,828	\$9,828	\$9,828
Parking (\$2,500 per space)	\$5,000	\$5,000	\$5,000	\$3,750	\$3,750
Contingency (5% of Building Costs)	\$5,492	\$5,492	\$4,914	\$4,914	\$4,914
Soft Costs Profit (30% of Hard Costs)	\$42,753	\$37,852	\$32,097	\$31,051	\$30,267
Total Cost to Build/Unit	\$251,931	\$208,099	\$170,879	\$160,278	\$153,265
Monthly Rent Needed	\$2,190	\$1,775	\$1,525	\$1,450	\$1,415
120% AMI Max Rent	\$1,659	\$1,659	\$1,659	\$1,659	\$1,659
<i>Surplus Capacity/Gap</i>	(\$531)	(\$116)	\$134	\$209	\$244
100% AMI Max Rent	\$1,370	\$1,370	\$1,370	\$1,370	\$1,370
<i>Surplus Capacity/Gap</i>	(\$820)	(\$405)	(\$155)	(\$80)	(\$45)
80% AMI Max Rent	\$1,121	\$1,121	\$1,121	\$1,121	\$1,121
<i>Surplus Capacity/Gap</i>	(\$1,069)	(\$654)	(\$404)	(\$329)	(\$294)
60% AMI Max Rent	\$792	\$792	\$792	\$792	\$792
<i>Surplus Capacity/Gap</i>	(\$1,398)	(\$983)	(\$733)	(\$658)	(\$623)
50% AMI Max Rent	\$673	\$673	\$673	\$673	\$673
<i>Surplus Capacity/Gap</i>	(\$1,517)	(\$1,102)	(\$852)	(\$777)	(\$742)
40% AMI Max Rent	\$503	\$503	\$503	\$503	\$503
<i>Surplus Capacity/Gap</i>	(\$1,687)	(\$1,272)	(\$1,022)	(\$947)	(\$912)
30% AMI Max Rent	\$374	\$374	\$374	\$374	\$374
<i>Surplus Capacity/Gap</i>	(\$1,816)	(\$1,401)	(\$1,151)	(\$1,076)	(\$1,041)

The table on the preceding page shows different scenarios for development costs for multi-family rental housing. Densities were calculated using existing zoning classifications for residential use. Currently the R-2 designation is targeted toward apartments. Recent County plans covering the Bridge Boulevard Corridor and the Bernalillo/Sunport TOD plan allow higher densities with decreased setback requirements to facilitate a denser land use. The square footage of the sample apartments decreases as densities become greater. Land costs are estimated based on a 2015 survey of higher density land available for sale in the Albuquerque market. Land costs for a commercial multi-family project are variable. The Sunset Road parcel adjoining the Bridge Boulevard Corridor is presently listed for sale. The land costs appear high because the listing price reflects an economic value to the existing buildings although the Redevelopment Plan calls for demolition of the existing buildings. The estimate of land cost used in the model is slightly higher than another parcel in the market listed for approximately \$5.00 per square foot.

Building costs are based on the 2015 International Building Code Building Valuation Data for one hour fire resistant frame construction. IBC Building Valuation square cost has been adjusted downward to reflect lower costs in the Albuquerque market. The IBC cost of \$141.00 per square foot has been adjusted to \$115.6 per foot. The square footages in the denser samples are based on a two bedroom, two bath unit with washer/dryer hookups. The lower density units have allowances for three bedrooms and two baths. Site preparations costs are based on Bridge Boulevard Corridor Economic Analysis completed for Bernalillo County in 2012 and include utility connections. Allowances for common areas and parking have been included. The Sunport TOD plan has reduced parking requirements from the County standard of two spaces per unit. This parking standard has been used for the higher density examples. Soft costs include entitlement applications, impact fees, building permit fees, architectural fees, legal fees, consultant fees, construction interest and builder overhead and profit.

The affordability gap on the rental housing profile is substantial. The rent needed to carry operating and debt service costs far exceeds the current market rents in the greater Albuquerque market. Without multi-layers of public finance, it is not possible for lower income households to afford the rent and maintain the standard of paying 30% of their household income for shelter expenses. Affordable rental housing is financed with multiple sources which provide high percentages of equity in order to minimize debt service and create a cash flow stream that is adequate to pay operating expenses and a minimal mortgage on the complex. It is not unusual for an affordable rental housing development to carry a 15/85 loan to value ratio. Depending how deep the affordability subsidy is targeted, there may not be room for any debt service payment.

The amount of debt the property can carry is also influenced by the target incomes of potential renters. If there is a mix of incomes ranging from higher income households who can pay market rents to lower income households, the amount of subsidy needed for the project can be lessened. In the example on the preceding page, households at 100% of the Median Income could conceivably afford to pay \$1,370 per month in rent. Households at 50% of the AMI could pay \$673 per month. The higher the percentage of lower income households in the project, the higher the amount of subsidy is required to achieve a satisfactory cash flow. For purposes of this illustration, a project will have all 50% rents. This income band also is the group most in need, particularly for special needs populations living on government Social Security Supplemental Income and other disability payments.

The project, at a 1.2 Debt Coverage Ratio can support \$1,745,000 of debt with an annual mortgage payment of \$174,500. This equates to a loan to value ratio of 19 to 81. The proforma assumes a \$4,500 per year per unit operating expense. The total development cost of a 50 unit project would be \$7,663,250.

The table below shows what types and amounts of public finance resources are needed to bring the cost of units down to a level that can be supported by rent revenues, and still pay some debt service and operating expenses.

Source	Amount	Comment
Low Income Housing Tax Credits	\$5,600,000	Depends on eligible basis for \$9,307,850 project costs @ .95 purchase price
HOME Grants/loans	\$250,000	May be in the form of residual receipts loan
Community Development Block Grant	\$100,000	Competitive Application
Land Donation	\$261,350	Acquisition by third party, County, MRA
Federal Home Loan Bank Board loan	\$200,000	Competitive Application
Impact Fee Discount @50%*	\$124,350.00	Meeting LEED H requirements
Building Fee Waiver	\$135,550	Based on 2%of building costs
Utility Connection Fees	\$14,124	Out of control of the County
Tax Increment Financing Bonds	\$150,000	Based on property tax bill
Total potential Public Finance Savings	\$6,835,374	
Debt Carrying capacity of 50 unit project @ 50% AMI	\$1,745,000	Carrying a mortgage of the stated amount at 50% AMI
Overage or (shortfall) of debt capacity	\$917,133	The project can carry this(\$1,745,000) amount of debt so all public financing tools are not needed
*assumes lowest drainage fee		

The sample financing scenario shows that depending on how the finance structure of the 50 unit sample rental project is structured, not all financing enhancements will be needed to meet the cash flow assumptions. Of course, the assumptions impute a certain amount of equity contributions that may not be forthcoming. For instance, the County may not receive any CDBG funds to assist with the project. Or it may be more efficient, depending on the ownership structure to apply for property tax exemptions than to pursue tax increment financing. The Water Authority may not be willing to waive utility connect fees. For the items the County directly controls, in order to make donations to a public/private partnership project, such as an affordable housing development, the County will need to adopt an Affordable Housing Plan and an Affordable Housing Ordinance to implement that plan.

GOALS, POLICIES, AND QUANTIFIABLE OBJECTIVES

A component of this plan lays out the goals and objectives (actions) of the Bernalillo County government in order to implement the findings and needs identified in the Bernalillo County Affordable Housing Plan. The actions steps included in this section lay out a quantifiable and realistic course of action to ensure that the County can address a pressing public need in the realm of decent housing for its residents. The Action Plan includes the following considerations: what actions will be taken by the County and its Departments; how the specific actions rank in priority; the time frame for the targeted output; who the needed players are and what resources they might be able to offer. This Plan is based on a ten year horizon. Change is so rapid in our present society, that it would only be an exercise in sophistry to commit public resources to a horizon that extends beyond what anyone can realistically predict for the future. The County has recently completed a Consolidated Plan that follows the HUD requirements. HUD acknowledges that a five year horizon is the best context for planning future actions and conditions. This Affordable Housing Plan is designed to integrate with the Consolidated Plan while at the same time, to stand on its own, and address issues and concepts that are rooted in the New Mexico Affordable Housing Act. We appreciate the assistance of the New Mexico Mortgage Finance Authority and the Community Strategies Institute in providing technical assistance and financial assistance in preparing this Plan.

In order to make the information contained in the section more accessible to the general reader, the following preview information is included to help understand the acronyms and abbreviations contained in the Goals and Objectives section of the document.

Cost Estimates for Action Steps

As part of the information contained in the Action Plan, general estimates are made of the cost of a given action. Because specific details of a given action are not known at this time, only a general estimate can be formed. Once an implementation plan for a specified action is formulated, the greater detail contained in the implementation plan can be used for a more accurate cost estimate.

\$ Little or no extra cost to the County
 \$\$ 100,000 to \$200,000 to the involved parties
 \$\$\$ \$200,000 to \$500,000 to the involved parties
 \$\$\$\$ \$500,000 to \$1,000,000 to the involved parties
 \$\$\$\$\$ more than \$1,000,000 to the involved parties

In assessing costs and priorities, the County has utilized the information gathered from key informant interviews, community meetings, a community opinion survey, reviews of statewide statutes and plans, other needs assessment data, expert opinions, and our own research and plans. It will be up to the community and the County Government to set priorities. Based on those priorities, funds can be budgeted and obtained for addressing those items. This action plan is intended to be the first step to open discussion of the future needs and services in the community. The interplay between cost and priority will help form that discussion. There may be an item that is a high priority but does not cost a lot of money to implement. There may be other high priority items that will be costly and the implementation period may stretch over a number of years or budget cycles.

Priority Scale	
H	High
M	Medium
L	Low

Goal 1: Preservation of Existing Housing Stock

This Plan describes the number of housing units that are of the age to need rehabilitation. That number is approximately 3,047, of which 2,477 are owner occupied units. The County has an ongoing housing rehabilitation program that has addressed many substandard structures. However, the resources presently available are inadequate to address in a timely fashion, even a portion of the units needing health and safety improvements. The County will explore all funding sources including State CDBG funds, HOME, Federal Home Loan Bank Board loans and grants and other sources of financing that could make the needed improvements with minimal cost to homeowners. In order to stretch limited resources, the County will expand the housing rehabilitation program by developing guidelines for blended loans from grant funds and interest bearing loans that will be offered to homeowners who can afford some payment. These households generally will be in the 60% to 80% AMI income band.

There is several multi-family complexes (4-8 identified) that provide affordable rents in the County that are in need of basic rehabilitation and health and safety improvements. It is difficult for property owners to invest the needed capital to make those improvements because it cannot always be determined that the improvements will produce increased rents to provide a return on investment. Bernalillo County will convene property owners to determine if they would be willing to participate in such a rental rehab program if they could obtain below market financing in exchange for stable, affordable rents after the improvements are completed.

Item	Action	Priority	Timeline	Players/Resources	COST
1	The County will continue to sponsor the single family housing rehab program Target: 20 units per year	H	2015-2025	BC Housing Dept., MFA, DFA, local builders, FHLB,	\$\$\$\$
2	The County Housing Dept. will expand the single family rehab program by offering blended loans with terms affordable to homeowners. Target: 15 units per year	H	2015-2025	BC Housing Dept., MFA, DFA, FHLB, RD, local builders, local lenders	\$\$\$\$
3	The County Housing Dept. will conduct a need and feasibility analysis to determine demand for a rental rehabilitation loan program for older rentals. Target: 1 feasibility study with a conclusion to proceed or not.	M	2017-2020	BC Housing Dept., MFA, DFA, property managers, Realtors, lenders	\$

GOAL 2: Expand the Supply of Affordable Rental Housing for Low Income Households and Special Needs Populations that Have Difficulty Competing in the Housing Market

The needs analysis section and the gap analysis section of this Affordable Housing Plan identifies a high unmet demand for decent rental housing that is affordable to very low and low income households(0-60% AMI). The challenge of finding and remaining in an affordable unit is even more difficult for sub-populations such as elderly and disabled living on fixed incomes. The unmet need equates to approximately 2,786 households with incomes below 60% AMI.

The single greatest resource the County has at its discretion is the Section 8 Rental Assistance Voucher Program provided by HUD. The County Housing Authority will continue to utilize this resource to assist those households with the greatest needs. The Housing Authority will continue to request new Vouchers from HUD whenever new allocations are made available. The County Housing Authority has applied for and received HUD-VASH vouchers for veterans but because the intake process for case management through the Veteran's Administration is slow, most of those vouchers have not been issued to veterans that have been cleared through the VA process. The Housing Authority will supplement the Section 8 Program by requesting that MFA include Tenant Based Rental Assistance to qualified households in its Consolidated Plan and Annual Action Plan submitted to HUD. The County Housing Authority will also apply for funds through MFA's Rental Assistance Program to assist households below 30% AMI on the Housing Authority waiting list.

The County seeks to expand the limited supply of decent affordable units by incenting public/private partnerships to build more rental units for very low and low income households and for special populations. The County has been somewhat hampered in identifying parcels suitable for multi-family development because of limited infrastructure and low density land use patterns. The redevelopment plans for several tracts which border the Albuquerque City Limits will provide new opportunities for the construction of affordable rental units. These tracts have been described more fully in Section C of this plan.

The County has a need for more accessible rental housing units that could be available for special needs populations. The County Housing Department will work with regional special needs providers to target newly available rental opportunities to the Bernalillo County client base that are being served by regional providers. The County Housing Department will also serve as a coordinating agency to solicit the interest and involvement of non-profit housing developers who have experience in designing and managing housing for special populations.

Elderly residents on fixed incomes are one of the special populations that need affordable rental units that are accessible for households facing various physical challenges. The market analysis and gaps analysis section of this Plan identified 209 cost burdened low income senior households. Overall, there are 669 senior households which would qualify for an affordable unit. The construction of a smaller complex would have a very workable absorption rate and would be well received in the senior market.

Item	Action	Priority	Time line	Players/Resources	COST
1	Bernco PHA will operate the Sec. 8 Rental Assistance Program and apply for new vouchers whenever they are available. Present available: 1830. Target: 15 new vouchers annually	H	2015-2025	HUD, BC PHA	\$
2	BC PHA will apply for HOME TBRA funds to decrease waiting list wait times for rental assistance. Target: 20 TBRA slots annually	H	2015-2025	HUD, BC PHA, MFA	\$\$\$\$
3	The County, through its policies and budget allocations will incent public private partnerships to build new affordable rental housing. See Goal 4 for details.	H	2015-2025	County Commission, County Housing Department, County Planning and Public Works Departments	\$\$\$\$\$
4	The County Housing Department will take the lead in forming a development team to begin predevelopment planning for Sunset Road/Five Points Apartments. Target 76 units	H	2016-2020	County Commission, County Housing Department, County Planning and Public Works Departments, developers, lenders, MFA, Metro Redevelopment Authority	\$\$
5	Public/Private Partnership will construct affordable rental complex at Sunset Rd. Target: 76 units	H	2018-2022	County Commission, County Housing Department, County Planning and Public Works Departments, developers, lenders, DFA, MFA, Metro Redevelopment Authority, funders, tax credit investors	\$\$\$\$\$
6	The County Housing Department will take the lead in forming a development team to begin predevelopment planning for a TOD rental development at Bernco/Sunport station: Target 50 units	H	2018-2025	County Commission, County Housing Department, County Planning and Public Works Departments, developers, lenders, MFA, Metro Redevelopment Authority	\$\$
7	Public/Private Partnership will construct affordable rental complex at Bernco/Sunport TOD site. Target; 50 units	H	2019-2025	County Commission, County Housing Department, County Planning and Public Works Departments, developers, lenders, MFA, Metro Redevelopment Authority, funders, tax credit investors	\$\$\$\$\$

Item	Action	Priority	Time line	Players/Resources	COST
8	County Housing Dept. will take the lead in forming a development team to begin the predevelopment planning for a 20 unit elderly housing development. Identification of suitable R-2 parcel and programming with Senior groups to be part of development plan.	H	2017-2018	County Commission, County Housing Dept., County Planning and Public Works Depts., developers, senior groups, lenders, MFA	\$\$
9	Public/ Private Partnership will construct 20 unit, affordable, senior apartment complex. Target: 20 units	H	2019-2022	County Commission, County Housing Dept., County Planning and Public Works Depts., developers, senior groups, lenders, MFA, builders	\$\$\$\$\$

GOAL 3. Expand Homeownership Opportunities in the Unincorporated Areas of the County.

The market analysis and gaps analysis sections of this Plan identify a number of renter households (1,939) with the income to afford the median priced home in the Unincorporated Areas of the County. Additionally, there are a number of households in the 60% AMI to 80% AMI (978) range that could afford some homes with down payment assistance and other financial enhancements. Homeowners are generally better off economically than renters and providing a stable living environment with set shelter expenses is an important piece for achieving economic self-sufficiency.

While the supply of for sale units seems adequate to meet current demand, a significant number of those units are in poor condition and wouldn't meet the underwriting and appraisal standards that would apply in order to receive a conventional or federally insured mortgage loan. Newer, Green Built, energy efficient attached dwellings would be a cost effective homeownership option for households with incomes below the median income. New homes located in proximity to public transit could also benefit first time homebuyers by helping to reduce the combined burden of their shelter and transit costs. The target for combined costs should be in the 45% of household income range.

An important step in becoming a homeowner is to have the necessary credit standing and financial literacy in order to qualify for a loan as well as to cope with the complexity of both the purchase and ongoing ownership obligations, once the sale closes. Credit repair counseling and homebuyer training programs is an important facet of establishing a solid market for homebuyer opportunities. The County Housing Department cosponsors homebuyer training programs with other regional lending and real estate organizations. Under the auspices of the Public Housing Authority, Section 8 Rental Assistance Program participants are also allowed the opportunity to convert their rental subsidy into payments on a home mortgage. The County Housing Department and the County Housing Authority will continue to offer these programs and provide the impetus for construction of new attached housing for first time buyers at the Bernco/Sunport TOD site.

Item	Action	Priority	Time line	Players/Resources	COST
1	The BCPHA will continue to sponsor the Section 8 Homeownership Program for participants in the Rental Assistance program. Target 3 loans annually.	H	2015-2025	BCPHA, Realtors, Lenders, Mortgage Counseling agencies	\$\$
2	The County Housing Department will coordinate the efforts of Realtors, lenders, MFA downpayment assistance programs to identify and qualify moderate income households wishing to purchase a home.	M	2015-2025	County Housing Dept. , Realtors, Lenders , Mortgage Counseling agencies, MFA	\$
3	The County Housing Department will take the lead in forming a development team to begin predevelopment planning for a TOD homeownership development at Bernco/Sunport station: Target 50 units	H	2018-2025	County Commission, County Housing Dept., County Planning and Public Works Depts., developers, lenders, MFA, Metro Redevelopment Authority	\$\$
4	Public/Private Partnership will construct affordable TOD condo development at Bernco/Sunport station. Target 50 units	H	2019-2025	County Commission, County Housing Dept., County Planning and Public Works Depts., developers, Realtors, lenders, MFA, Metro Redevelopment Authority	\$\$\$\$\$

Goal 4: Create Innovative Partnerships Between Government and the Private Sector by Creating Ordinances, Plans and Policies that Expand Housing Opportunities and Support Economic Diversity

Housing is the most highly regulated commercial activity in our modern economy. Federal monetary policy dictates mortgage rates. Federal laws and regulations govern who lives in the housing, where the timber is harvested, whether there is a secondary market for the mortgage, etc. Local and state laws control where the housing gets built, what it looks like, how many houses or units go on a particular site and who is allowed to build. The decisions made at various levels of government influence the price and availability of housing. The County Government has great influence over the housing production system through its zoning, subdivision, building and public infrastructure regulations and fees.

Often government regulations are perceived as arbitrary barriers to the production of more affordable housing types. However, the thoughtful observer quickly determines that government agencies are placed in the role of regulator because their constituents, the local voters, desire government to provide a variety of protections. As the west becomes more populated and land use patterns become denser, those who invest in property want government to take a firm hand in protecting them from surrounding uses which might devalue property or adversely affect health and quality of life.

Bernalillo County will use a combination of targeted incentives and set-aside requirements to ensure new development accommodate all sectors of housing demand -- not just those with substantial equity. Those incentives will include cash and non-cash items. In existing neighborhoods, denser land use may be achieved by using zoning codes to allow smaller lot configurations and permitting the construction of accessory units on existing legacy lots. When there is public investment, subsidies or incentives, to lower housing costs, enforcement mechanisms will be in place to insure that public purposes are met.

Unless a variety of tools are created and the Bernalillo County Government partners with the private development sector, it will be difficult to achieve the needed results. By partnering with developers, the County can reduce some developer risk. If transaction and carrying costs for a given project are lowered, the final costs can be reduced for the end user. Through comprehensive planning products, such as the Bridge Boulevard Corridor Redevelopment Plan, the County has created new opportunities to partner with the private sector to address both the housing needs and economic growth in the County. By creating plans that envision catalytic projects, there will be more housing choice and a better quality of life for those who live in the County.

However, those changes will only come by successful efforts to address and ameliorate some of the obstacles that stand in the way of growth. This Bernalillo County Affordable Housing Plan lays out steps the County will undertake in order to provide better housing and a stronger economy for Bernalillo County residents. Some tools and incentives the County will formulate include:

- Higher densities for a specific number of affordable units in designated zones.
- Tax exempt financing products provided by different government programs including those sponsored by the County.
- Local cash and fee waivers/deferrals as budgets permit.
- Regulatory changes to lower the cost of housing development and provide more options for building attached housing.
- Coordination with other governmental entities such as the Bernalillo/Albuquerque Water Utility Authority, NM Mortgage Finance Authority, NM Dept. of Finance and Administration
- County-sponsored funding applications to obtain the needed equity from private and public the sources.

By adopting this Affordable Housing Plan and an Affordable Housing Ordinance, it is acknowledged that there is a public purpose in improving the housing opportunities for the lower income families. Many households with incomes from 0-

70% of the Bernalillo Area Median Income are not able to compete successfully in the local housing market. Any resources the County provides will be targeted at those high need households which cannot ensure stable housing with only their own resources

Item	Action	Priority	Time line	Players/Resources	COST
1	The County will review the O-1 and C-1 zoning regulations to allow residential uses by right that are attached to offices or other mixed use buildings.	High	2016-2017	County Commission, Planning Board, County Development Review Authority, County stakeholders and residents	\$
2	The County will review zoning and subdivision regulations to modify setback and yard requirements for smaller subdivisions that could be permitted in a redevelopment overlay zones.	Medium	2015-2016	County Commission, Planning Board, County Development Review Authority, County stakeholders and residents	\$
3	The County will update the Impact Fee Ordinance(Sec. 47 County Code) to provide impact fee waivers for affordable homeowner units and affordable rental units that meet LEED H standards	High	2016-2020	County Commission, Planning Board, County Development Review Authority, County stakeholders and residents	\$\$
4	The County will make selected modifications to some of its regulatory requirements to reflect recommendations made on page 97 of this plan.(Summary of Land Use and Zoning Regulations that Pose Constraints to Affordable Housing)	High	2018-2021	County Commission, Planning Board, County Development Review Authority, County stakeholders, developers, Realtors, lenders, MFA, affordable housing organizations, and residents	\$\$\$
5	The County will modify its current ADU requirements to permit accessory dwelling units on parcels that can accommodate denser land uses that presently allowed in R-1 designation.	Medium	2016-2020	County Commission, Planning Board, County Development Review Authority, County stakeholders and residents	\$

Item	Action	Priority	Time line	Players/Resources	COST
6	The County Commission will request the Public Works Department to convene a task force to review the infrastructure requirements for small lot subdivisions and affordable rental development with the focus on commonsense modifications that can balance public safety with the impact on housing development costs. Including such items as street widths, onsite parking requirements, parking stall dimensions, etc.	Medium	2016-2020	County Commission, Public Works Dept., Planning Board, County Development Review Authority, Emergency Services agencies, Utility Authority, developers, builders, County stakeholders and residents	\$
7	The County will establish a budget line item to include cash incentives that may be used for affordable housing activities that reflect County priorities for serving households at 0-60% AMI. These incentives will include cash for land purchases, payments to backfill various fees and utility charges, equity contributions, and various tax exempt finance tools that may be available to the County.	High	2018-2021	County Commission, , Planning Board, affordable housing agencies, developers, builders ,MFA, County stakeholders and residents	\$\$\$
8	The County will sponsor and advocate for funding applications to other state and federal agencies that can assist in financing affordable housing projects and programs that meet the needs the County has identified in this Plan.	High	2015-2025	County Commission, County Departments, affordable housing organizations, residents, County stakeholders	\$

OTHER AFFORDABLE HOUSING CONSIDERATIONS

The Bernalillo County Affordable Housing Plan has involved the public through several different outreach efforts. Key informant interviews, focus groups, a community survey, and public meetings have been held to solicit citizen and stakeholder involvement. The County will continue to involve citizens as it holds hearings and other public engagement events to involve the public in what the future of Bernalillo County affordable housing efforts will look like.

This Plan will be used to inform debate around what policies and actions will be the most effective in addressing the various needs and opportunities that the County has identified for expanding the choice in housing options in the County. There is a balance between maintaining the rural character of the County while responding to the pressures of urbanization the County faces. This report details the challenges the County faces. Providing a balance of housing options for households of various incomes is the crux in determining what options the County can provide the community. The structure of the Anti-Donation Clause, embedded in the New Mexico Constitution makes the work of providing policies and resources to expand housing choice more formidable. However, the Affordable Housing Act Amendment provides new opportunities for local governments to strengthen their economies by expanding the choice in housing and the economic benefits that a more robust housing market can bring to their communities.

The County is committed to providing greater resources to help overcome the economic and regulatory barriers to a diversified housing market. However, the County faces real budget constraints and any investment will have to be vigorously evaluated against other options that may create greater benefits to the citizens of the County. By the time an Affordable Housing Ordinance is deliberated, the County will have engaged the citizens in providing their inputs on how best to deal with the housing gaps the County faces. The County wants to ensure that any policies or resources it directs toward affordable housing are also secured so that no one unjustly profits from the effort and the highest accountability is achieved. The County will use the tools available to preserve those resources. Deed restrictions on affordable parcels, vigorous underwriting standards, and requirements for permanent affordability will be utilized to ensure that the affordable housing asset remains viable in the community for many years.

FUNDING SOURCES FOR AFFORDABLE HOUSING

This list includes many current sources funding sources available for (1) Homeownership Programs, (2) Housing Development, (3) Homeless and Rental Assistance Programs, as of August 2014. Local funding is listed under Homeownership and Housing Development. Revise as necessary when developing an affordable housing plan.

Planning

Community Development Block Grant (CDBG), administered through State of New Mexico Department of Finance & Administration (DFA). CDBG funds are granted to projects which benefit low to moderate income beneficiaries and improve areas of slum & blight. CDBG includes planning as an eligible activity. The Plan must benefit specific groups including, persons who have been abused, who are elderly, disabled, homeless or persons living with disease. CDBG funding requires citizen participation and matching funds. There is an annual application process.

http://nmdfa.state.nm.us/cdbg/Information_1.aspx

New Mexico Mortgage Finance Authority (MFA)

MFA provides funding to create an Affordable Housing Plan. Match requirement. Contact Affordable Housing Act Program Manager. Open application cycle; first come first serve.

Homeownership Programs

Bank of America Foundation funds programs focused on creating and preserving affordable housing and homeownership opportunities, foreclosure counseling and mitigation, real-estate owned (REO) disposition and programs that help individuals and families create better money habits and become more financially capable.

<http://about.bankofamerica.com/en-us/global-impact/charitable-foundation-funding.html>

Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities:

- . Creation, preservation or rehabilitation of affordable housing
- . Homeownership and credit counseling programs for low- to moderate-income individuals
- . Financing services and technical assistance programs for small businesses and farms

<https://www.bankofthewest.com/about-us/community-support.html>

Federal Home Loan Bank of Dallas provides grants and low interest loans to low-to-moderate income households. The Affordable Housing Program includes the following homeownership activities:

- . Pay closing costs or down payments
- . Buy down principal amounts or interest rates
- . Refinance an existing loan (provided that the equity proceeds are used for the development of AHP-eligible housing)
- . Assist with rehabilitation or construction costs
- . Homebuyer education and counseling costs also qualify, if the household purchases an AHP-assisted unit.

Helping Hand, MFA

\$8,000 for down payment and closing cost assistance to low-income families in which one family member has a disability. Helping Hand is a 0% loan due on sale, transfer or refinance of the home. Guidelines may vary by location.

HERO, MFA

The HERO program is a first mortgage loan that includes a 3.5% down payment assistance grant. The grant does not need to be repaid. HERO is available to low-to moderate-income households in which at least one member is a public safety worker, healthcare worker, educational worker or an active or reserve member of the armed forces. The HERO program is a 30-year, fixed-rate, FHA-insured mortgage loan.

HOME Rehabilitation (REHAB), MFA

Assistance for low-income homeowners to make necessary home repairs. MFA selects local housing authorities, community non-profit organizations and local governments to administer the program in communities throughout the state, excluding the Cities of Albuquerque and Las Cruces.

Housing Application Packaging Grants, USDA

Housing Application Packaging Grants provide government funds to tax-exempt public agencies and private non-profit organizations to package applications for submission to Housing and Community Facilities Programs.

Housing Counseling

Pre-purchase housing counseling for prospective buyers funded by U.S. Department of Housing and Urban Development (HUD) grants. Counseling is done by sub-grantees selected by MFA.

Mortgage Booster, MFA

A fixed-rate second mortgage that is used in conjunction with either a MortgageSaver or MortgageSaver Zero first mortgage. Mortgage Booster features a 30-year term and a maximum loan amount of \$8,000. Mortgage Booster has a 6% interest rate.

MortgageSaver, MFA

Thirty-year fixed below-market rate mortgage loans priced with 1% discount and 1% origination fee for low to moderate-income first-time homebuyers.

MortgageSaver Plus, MFA

Thirty-year fixed rate mortgage program that includes a 3.5% grant to offset down payment and closing costs for low-to moderate-income first-time homebuyers. MortgageSaver Plus carries a slightly higher interest rate than MortgageSaver and MortgageSaver Zero loan products and features a 0% origination and 0% discount fee.

MortgageSaver Zero, MFA

Thirty-year fixed-rate mortgage loans priced with 0% discount and 0% origination fee for low- to moderate-income first-time homebuyers.

New Mexico EnergySmart (Weatherization), MFA

Assistance for qualified households to improve their homes' energy efficiency and reduce utility expenses by as much as \$500 per year. Homes receive an average of \$5,000 in energy efficiency upgrades through the program, which may include insulation, caulking, new windows and/or new heating systems.

Partners Program, MFA

First mortgages for families earning less than 60% of the area median income. Mortgages are procured through non-profit housing providers.

Payment\$aver, MFA

A second mortgage loan that provides 8% of the sales price of the home (up to \$8,000) for down payment, closing costs, principal reduction and/or interest rate buydown for lower income families in eligible areas of the state. Payment\$aver is a 0% loan due on sale, transfer or refinance, loan due on sale, transfer or refinance of the home.

Public Housing, Homeownership Program, HUD

The Quality Housing and Work Responsibility Act (QHWRA) permits public housing authorities to make public housing dwelling units available for purchase by low-income families as their principal residence through the following eligible activities:

- Sell all or a portion of a public housing development to eligible public or non-public housing residents;
- Provide Capital Fund assistance to public housing families to purchase homes; or,
- Provide Capital Fund assistance to acquire homes that will be sold to low-income families.

Bernalillo Housing Authority provides this program to Sec. 8 participants.

Rural Housing Guaranteed Loan, USDA

Applicants for loans may have an income of up to 115% of the median income for the area. Area income limits for this program are here. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.

Rural Housing Site Loans, USDA

Rural Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.

Rural Repair and Rehabilitation Loan and Grant, USDA

The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Rural Housing Repair and Rehabilitation Grants are funded directly by the Government. A grant is available to dwelling owner/occupant who is 62 years of age or older. Funds may only be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities.

Section 502 Rural Housing Direct Loan, USDA

Section 502 loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to acquire, build (including funds to purchase and prepare sites and to provide water and sewage facilities), repair, renovate or relocate a home.

Section 502 Mutual Self-Help Loans, USDA

The Section 502 Mutual Self-Help Housing Loan program is used primarily to help very low- and low-income households construct their own homes.

Self-Help Technical Assistance Grants, USDA

To provide Self-Help Technical Assistance Grants to provide financial assistance to qualified nonprofit organizations and public bodies that will aid needy very low and low-income individuals and their families to build homes in rural areas by the self help method. Any State, political subdivision, private or public nonprofit corporation is eligible to apply.

Smart Choice, MFA

In areas where the local public housing authority offers the Section 8 Housing Choice Voucher Homeownership program, program participants may be eligible for a Smart Choice down payment and closing costs assistance loan of \$15,000. Smart Choice features a 0% interest rate and is due on the sale, transfer or refinance of the home.

Streamline 203(K), MFA

A 30-year, fixed rate FHA first mortgage that includes up to \$35,000 for home improvements or energy efficiency upgrades. Down payment assistance programs may be used in conjunction with this loan.

Technical and Supervisory Assistance Grants, USDA

To assist low-income rural families in obtaining adequate housing to meet their family's needs and/or to provide the necessary guidance to promote their continued occupancy of already adequate housing. These objectives will be accomplished through the establishment or support of housing delivery and counseling projects run by eligible applicants.

US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include:

- Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations.
- Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families.

<https://www.usbank.com/community/charitable-giving.html>

Housing Development

ACCESS Loan, MFA

Streamlined Risk Sharing construction and permanent loans up to \$2 million for small-scale affordable rental housing projects.

Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities:

- Creation, preservation or rehabilitation of affordable housing
- Homeownership and credit counseling programs for low- to moderate-income individuals
- Financing services and technical assistance programs for small businesses and farms
- Asset creation and preservation programs for low- to moderate-income individuals

<https://www.bankofthewest.com/about-us/community-support.html>

“Build It!” Loan Guaranty Program, MFA

Up to a 50% guaranty of interim loans used to acquire, build or rehabilitate affordable rental and for-sale housing. Build It! Is available to non-profit organizations, for profit corporations, units of local government, housing authorities and tribal entities.

Calvert Social Investment Foundation lends to established community organizations including, CDFIs, loan funds, microfinance institutions, affordable housing developers and, social enterprises. Funds may be used towards loan capital and pre-development costs. <http://www.calvertfoundation.org/>

Community Housing Development Organization (CHDO) Operating Fund Program, MFA

Operating funds designed to increase production capacity in non-profit organizations that develop affordable housing.

Community Development Block Grant (CDBG), administered through State of New Mexico Department of Finance & Administration (DFA). CDBG funds are granted to projects which benefit low to moderate income beneficiaries and improve areas of slum & blight. Permanent housing structures are an eligible activity which must benefit specific groups

including, persons who have been abused, who are elderly, disabled, homeless or persons living with disease. CDBG funding requires citizen participation and matching funds. There is an annual application process.

<http://nmdfa.state.nm.us/cdbg/Information/1.aspx>

Farm Labor Housing Loans and Grants, USDA

The Farm Labor Housing Loan and Grant program provides capital financing for the development of housing for domestic farm laborers.

Federal Home Loan Bank of Dallas, Affordable Housing Program provide grants to assist in financing the purchase, construction, and/or rehabilitation of single-family, rental, transitional, and single-room housing in their community. Funds must be used to benefit households with incomes at or below 80 percent of the median income for the area. These funds are typically leveraged with other funding sources. There is an annual application process.

<https://www.fhlb.com/community/ahp/>

FDIC, Community Affairs Program (CRA), Dallas Region. Banks develop a CRA strategy based on community needs, public plans and initiatives. CRA investments support activities that revitalize or stabilize the community, including affordable housing. Low-interest loans may be structured for a rehabilitation product for low-moderate income homeowners. Investments may also be made towards the rehabilitation or new construction of multi-family rental.

<http://www.fdic.gov/consumers/community/>

Frost Foundation, funds organizations and programs which can generate change beyond traditional boundaries, to encourage creativity which recognizes emerging needs and to assist with innovation which addresses current urgent problems. Frost Foundation also considers requests for operating funds. Bi-annual application process.

<http://www.frostfound.org/index.html>

Guaranteed Rental Housing, USDA

The Rural Housing Programs guarantees loans under the Rural Rental Housing Guaranteed loan program for development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing.

HOME / Rental Loan, MFA

Gap financing loans for the development of affordable rental or special needs housing through either new construction or acquisition and rehabilitation of existing properties.

Home Depot Foundation, Community Impact Grants Program, awards up to \$5,000 to registered nonprofit organizations to help fund community projects. **Framing Hope** provides a donation of materials to non-profit organizations that focus on affordable housing. <http://www.homedepotfoundation.org/>

HOPE VI Main Street Funds, HUD

Governments of counties, cities and townships with populations under 50,000 are eligible for grants to replace unused commercial space with affordable housing in historic or traditional central business districts.

Housing Preservation Grants, USDA

The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income multi-family housing.

Industrial Revenue Bonds (IRB), created by local municipalities and counties. Pursuant to the Industrial Revenue Bond Act, New Mexico municipalities and counties are authorized to issue IRBs to stimulate the expansion and relocation of commercial and industrial projects in the state. IRB financing is available for land, buildings and equipment for

headquarter office buildings, warehouses, manufacturing facilities, service-oriented facilities not primarily engaged in the sale of goods and commodities at retail, a 501(c)3 non-profit organization, and all expenses, attorneys', engineering and architects' fees, premiums and commissions that the commission may deem necessary. Approximately 30 communities in New Mexico have issued IRBs. Refer to NM State Statute 4-59 et. al. NMSA.

Local Fees attached to Services. Local municipalities and counties may include fees on applications and/or permits which may be used to fund a local general fund for affordable housing.

Land Title Trust Fund (LTTF), MFA

Loans or grants to provide housing for low-income persons whose household income does not exceed 80% of area median income. MFA awards funds quarterly on a competitive basis to eligible applicants that include non-profit organizations, governmental housing agencies, housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies.

Local Economic Development Act (LEDA) funds, administered through New Mexico Economic Development Department. Similar to the Affordable Housing Act, LEDA allows public resources to be used towards economic development projects. LEDA allows for public/private partnerships to foster local economic development. 83 communities in New Mexico have passed the Local Development Act. Eligible projects must create jobs. Funds may be used towards new construction, rehabilitation, and/or infrastructure. MFA has a Memorandum of Understanding with NM Economic Development Department to allow LEDA funds to be used in mixed-use projects which include affordable housing. <http://gonm.biz/Local Economic Development Act.aspx>

Local Funding, Bonds or General Fund. Local municipalities and counties may allocate general funds or issue bonds towards affordable housing which may include financing of acquisition, construction, and/or rehabilitation.

Low Income Housing Tax Credit (LIHTC), MFA

A federal tax-based program that encourages private investment for the construction or rehabilitation of affordable rental housing. Each year, MFA awards funds on a competitive basis, as outlined in the Qualified Allocation Plan.

McCune Charitable Foundation, funds projects that benefit the state of New Mexico in the areas of arts, economic development, education, environment, health, and social services. Grants for specific projects, operating expenses, and capital expenses are considered. Grants can be awarded to qualified 501(c)(3) nonprofit organizations, federally recognized Indian tribes, public schools, and governmental agencies. Annual applications accepted. <http://nmccune.org/>

Mixed-Finance Public Housing, HUD

HUD allows a mix of public, private, and non-profit funds to develop and operate housing developments. New developments may be made up of a variety of housing types: rental, homeownership, private, subsidized, and public housing. These new communities are built for residents with a wide range of incomes, and are designed to fit into the surrounding community.

Multi-Family Housing Preservation and Revitalization (MPR) Loans and Grants, USDA

The goal of the MPR program is to restructure Rural Rental Housing loans and Off-Farm Labor Housing loans and provide grants to revitalize Multi-Family Housing projects in order to extend the affordable use of these projects without displacing tenants due to increased rents.

New Mexico Affordable Housing Tax Credit Program, MFA

Provides state tax credits to individuals, businesses and local governments that provide donations of land, buildings, materials, cash or services to affordable housing projects approved by MFA or cash donations made to the MFA

Charitable Trust. The credit is equal to 50% of the value of the donation. Project sponsors can apply for an eligible affordable housing project designation and for a reservation of credits as outlined in the Notice of Funding Availability.

New Mexico Housing Trust Fund, MFA

Provides financing for affordable housing initiatives targeted primarily to low- to moderate-income households. MFA awards funds on a competitive basis as outlined in the Notice of Funding Availability. Eligible applicants include non-profit and for-profit housing developers and providers, units of local government, housing authorities and tribal entities.

Primero Investment Fund, MFA

Provides loans to meet the financial needs of affordable housing development initiatives that cannot be accommodated with other sources. For-profit and non-profit sponsors, public or government agencies including tribal entities are all eligible to apply. Permanent supportive housing pre-development and development grants are available for projects that set aside units for permanent supportive housing.

Public Housing, Asset Management, Operating Fund, HUD

HUD provides funding for public housing authorities to operate and maintain public housing.

[http://portal.hud.gov/hudportal/HUD?src=/program offices/public indian housing/programs/ph](http://portal.hud.gov/hudportal/HUD?src=/program%20offices/public%20indian%20housing/programs/ph)

Public Housing, Capital Fund, HUD

HUD provides funding for public housing authorities for development, financing and modernization of public housing development and management improvements.

Public Improvement Districts (PID), created by local municipalities and counties.

A public improvement district (PID) is a legal entity authorized by the New Mexico state legislature which can finance and construct a wide range of public infrastructure and facilities. It has the authority to issue debt in the form of bonds which are repaid over a specified number of years by the residents of the communities in within the PIDs.

Public Project Revolving Fund (PPRF), New Mexico Finance Authority

The New Mexico Finance Authority (NMFA) administers the Public Project Revolving Loan Fund. The NMFA makes low-cost, low-interest rate loans from this fund to local government entities to finance infrastructure projects and capital equipment purchases.

Risk Sharing Loans HUD 542(c) and USDA 538, MFA

Construction and permanent loan programs aimed at the production and preservation of affordable, low-income rental housing units. Both programs require set-asides for a specific number of units to be rented to lower income tenants. These loans are often combined with Federal Low Income Housing Tax Credits and/or HOME Rental loans. Risk Sharing loans can also provide credit enhancements for tax-exempt bond financing.

Rural Housing Site Loans, USDA

Rural Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.

Rural Rental Housing, USDA

This program is adaptable for participation by a wide variety of owners. Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, State or local public agencies, consumer cooperatives, and profit or nonprofit corporations.

Tax-Exempt Bonds, MFA

MFA is a qualified issuer of tax-exempt bond financing and 501(C)3 bond financing for multi-family developments throughout the state. Risk Share financing can be utilized for credit enhancement. Federally mandated tenant income restrictions apply.

Tax Increment Financing (TIF), created by local municipalities and counties. Within a designated Tax Increment Development District (TIDD), the increase in tax revenue may be used on roads, water systems or other infrastructure. In New Mexico, the incremental revenues can be from either property tax or gross receipts tax or both.

US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include:

- Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations.
- Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families.

<https://www.usbank.com/community/charitable-giving.html>

Wells Fargo Foundation awards grants to nonprofit organizations, including qualified governmental entities. One of the grant priority areas is Community Development which includes building and sustaining affordable housing.

https://www.wellsfargo.com/about/charitable/nm_guidelines

W.K. Kellogg Foundation concentrates two-thirds of its grant awards in several priority areas including New Mexico. The Kellogg Foundation concentrates on *“early childhood (prenatal to age 8), within the context of families and communities, offers the best opportunity to dramatically reduce the vulnerability caused by poverty and racial inequity over time.”* Past grantees include affordable housing developers and organizations. <http://www.wkkf.org/>

Homeless & Rental Assistance Programs

Acquired Property Sales for Homeless Providers Program, Veterans Administration, makes all VA foreclosed properties available for sale to homeless provider organizations-at a 20 to 50 percent discount-to shelter homeless Veterans.

Continuum of Care (COC)

A partnership between MFA and the New Mexico Coalition to End Homelessness, this program funds agencies that provide assistance for people experiencing homelessness. Services include prevention, street outreach, emergency shelter, transitional housing and permanent supportive housing.

Daniels Fund awards grants to nonprofit organizations. One of the grant focus areas includes Homeless and Disadvantaged Families & Individuals. Grant funding may be used towards emergency shelter or transitional housing with supportive services. <http://www.danielsfund.org/Grants/index.asp>

Domanica Foundation awards up to \$5,000 to nonprofit organizations to help fund project oriented, educational and social programs including homeless programs. <http://www.domanicafoundation.org/>

Emergency Housing Assistance Program (EHAP), MFA

Support for community non-profits and local governments that provide emergency and transitional housing and supportive services for individuals and families who are experiencing homelessness or at risk of becoming homeless.

Frost Foundation, funds organizations and programs which can generate change beyond traditional boundaries, to encourage creativity which recognizes emerging needs and to assist with innovation which addresses current urgent

problems. Frost Foundation also considers requests for operating funds. Bi-annual application process.

<http://www.frostfound.org/index.html>

Homeless Providers Grant and Per Diem Program, Veterans Administration, provides grants and per diem payments (as funding is available) to help public and nonprofit organizations establish and operate supportive housing and service centers for homeless Veterans.

Housing Choice Vouchers, HUD

HUD provides Housing Choice Vouchers to public housing authorities to provide rental assistance to low income households.

Housing Opportunity for Persons with AIDS (HOPWA), MFA

Provides supportive housing and case management services to individuals who have been diagnosed with HIV/AIDS to prevent homelessness.

Linkages Program, MFA

A permanent supportive housing voucher program for persons with behavioral health disorders who have experienced long-term homelessness. Services are provided through community partnerships between local or regional public housing authorities and licensed behavior health providers.

McCune Charitable Foundation, funds projects that benefit the state of New Mexico in the areas of arts, economic development, education, environment, health, and social services. Grants for specific projects, operating expenses, and capital expenses are considered. Grants can be awarded to qualified 501(c)(3) nonprofit organizations, federally recognized Indian tribes, public schools, and governmental agencies. Annual applications accepted.

<http://nmmccune.org/>

Public Housing, Family Self-Sufficiency (FSS) Program, HUD

The Family Self-Sufficiency (FSS) program enables families assisted through the Housing Choice Voucher (HCV) program, Public Housing (PH) residents, and residents of Native American Housing Assistance and Self-Determination Act-assisted housing to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance, while living in assisted housing, so they can obtain skills necessary to achieve self-sufficiency. http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/fss

Rental Assistance Program (RAP), MFA

A short and medium term rental assistance program for low-income individuals and families who are experiencing homelessness or who are at risk of becoming homeless. Assistance can include payments for security deposits and utility bills.

Rural Rental Assistance Program, USDA

The Rural Rental Assistance (RA) program provides an additional source of support for households with incomes too low to pay the HCFP subsidized (basic) rent from their own resources.

Supportive Services for Veteran Families (SSVF) Program, Veterans Administration, provides grants and technical assistance to community-based, nonprofit organizations to help Veterans and their families stay in their homes.

VA Supportive Housing (VASH) Program is a joint effort between the Department of Housing and Urban Development and VA. HUD "Housing Choice" Section 8 vouchers allow Veterans and their families to live in market rate rental units

while VA provides case management services. A housing subsidy is paid to the landlord on behalf of the participating Veteran. The Veteran then pays the difference between the actual rent and 30% of the tenant's income.